Union Calendar No. 162

100TH CONGRESS *1st Session*	HOUSE OF REPRESENTATIVES	REPORT 100-258

FEDERAL PROGRAMS AFFECTING CHILDREN, 1987

SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES

HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

FIRST SESSION

JULY 31, 1987.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE
75-852 WASHINGTON : 1987

H963-1

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LETTER OF TRANSMITTAL

House of Representatives,
Select Committee on Children, Youth, and Families,
Washington, DC, July 31, 1987.

Hon. Donnald K. Anderson,
Clerk, House of Representatives,
Washington, D.C.

Dear Mr. Anderson: The Committee on Children, Youth, and Families is pleased to transmit the enclosed report entitled "Federal Programs Affecting Children, 1987."

The report, which is being filed in accordance with Title II, Section 206. (a) of H. Res. 26, is a comprehensive compilation of Federal programs which directly affect children and their families.

Respectfully submitted.

Sincerely,

George Miller,
Chairman.

Enclosure.

CONTENTS

Page
- Letter of Submittal VII
- Foreword IX

Federal Programs Affecting Children:

[WITH CONTRIBUTING AUTHORS]

- Introduction 1
- Income Programs 5
  - Aid to Families with Dependent Children (AFDC) (Carmen Solomon) 5
  - Emergency Assistance (Carmen Solomon) 9
  - Child Support Enforcement (Carmen Solomon) 11
  - Supplemental Security Income (SSI) (Carmen Solomon) 15
  - General Assistance to Indians (Vee Burke) 19
  - Social Security (Dependents Benefits) (Geoffrey Kollman) 21
  - Unemployment Compensation (Dependent Allowance) (Rich Hobbie) 23
  - Civil Service Child Survivor Benefits (Carolyn Merck) 27
  - Military Survivor Benefit Plan (David F. Burrelli) 29
  - Veterans' Dependency and Indemnity Compensation (Mary Smith) 31
  - Veterans' Nonservice-Connected Death Pension (Mary Smith) 33
  - Workers' Compensation for Federal Employees (Joe Richardson) 35
  - Federal Black Lung Disability Benefits Program (Joe Richardson) 39
- Nutrition Programs 43
  - Food Stamps (Joe Richardson) 43
  - National School Lunch Program (Susan Schillmoeller) 47
  - School Breakfast Program (Susan Schillmoeller) 51
  - Child Care Food Program (Susan Schillmoeller) 55
  - Summer Food Service Program (Susan Schillmoeller) 59
  - Commodity Assistance for Child Nutrition Programs (Susan Schillmoeller) 61
  - Special Milk Program (Susan Schillmoeller) 65
  - Special Supplemental Food Program for Women, Infants, and Children (WIC) (Susan Schillmoeller) 67
  - Commodity Supplemental Food Program (Susan Schillmoeller) 71
- Social Service Programs 73
  - Social Services Block Grant (Karen Spar) 73
  - Day Care Programs (Under Employment for Aid to Families With Dependent Children Recipients) (Susan Schillmoeller) 75
  - Child Care—Appalachian Regional Commission Jobs and Private Investment Program (Susan Schillmoeller) 79
  - Head Start (Susan Schillmoeller) 81
  - Dependent Care (Sharon Stephan) 83
  - Child Development Associate Scholarship (Sharon Stephan) 85
  - Child Welfare (Sharon Stephan) 87
  - Foster Care and Independent Living (Sharon Stephan) 91
  - Adoption Assistance (Sharon Stephan) 95
  - Adoption Opportunities (Susan Schillmoeller) 99
  - Child Abuse Grants (Sharon Stephan) 101
  - Child Abuse Challenge Grant Program (Sharon Stephan) 105
  - Family Violence Programs (Sharon Stephan) 107
  - Department of Defense Family Advocacy Program (Robert L. Goldich) 113
  - Developmental Disabilities Program (Mary Smith) 117
  - Runaway Youth Program (Susan Schillmoeller) 121
  - Juvenile Justice Program (William Woldman) 123
  - Adolescent Family Life (Susan Schillmoeller) 127
  - Indian Child Welfare Assistance (Susan Schillmoeller) 129
  - Indian Child Welfare Act—Title II Grants (Susan Schillmoeller) 131

Page

Social Service Programs—Continued
- Refugee Resettlement Program; Cuban/Haitian Entrant Program (Joyce Vialet) 133
- Foster Grandparent Program (Carol O'Shaughnessy) 137
- Community Services Block Grant (Karen Spar) 139

Education and Training Programs 141
- Education for the Disadvantaged (Wayne Riddle) 141
- Education Block Grant (Paul Irwin) 145
- Education Programs for Handicapped Children (Wava Gregory) 147
- Bilingual Education Programs (Rick Holland) 153
- Migrant High School Equivalency Program (HEP) (Bob Lyke) 157
- State Agency Migrant Education Program (Bob Lyke) 159
- Indian Education Programs (K. Forbis Jordan) 161
- Education Programs for Refugee Children (Rick Holland) 165
- Follow Through (Wayne Riddle) 169
- Vocational Education (Paul Irwin) 171
- Training for Economically Disadvantaged Adults and Youth (Karen Spar) 175
- Job Corps (Karen Spar) 177
- Summer Youth Employment and Training Program (Karen Spar) 179
- Impact Aid (Rick Holland) 181
- Department of Defense Dependents Schools (K. Forbis Jordan) 185

Health Programs 187
- Medicaid (Joseph A. Cislowski) 187
- Maternal and Child Health Services Block Grant (Joseph A. Cislowski) 193
- Childhood Immunization (Ed Klebe) 197
- Family Planning (Joseph A. Cislowski) 199
- Alcohol, Drug Abuse, and Mental Health Block Grant (Ed Klebe) 201
- Preventive Health and Health Services Block Grant (Ed Klebe) 203
- Indian Health Program (Ed Klebe) 205
- Migrant Health Program (Ed Klebe) 207
- Federal Employees Health Benefits Program (Anne C. Stewart) 211
- Military Health Care Services (David F. Burrelli) 213
- Community Health Centers (Ed Klebe) 217
- National Institute of Child Health and Human Development (Blanchard Randall IV) 221

Housing Programs 223
- Low-Income Public Housing (Grace Milgram) 223
- Leased Housing Assistance ("Section 8 Program") (Grace Milgram) 227
- Leased Housing Assistance—Vouchers (Grace Milgram) 229
- Home Ownership Assistance for Low- and Moderate-Income Families (Grace Milgram) 231
- Rental Housing Assistance for Low-Income Families (Grace Milgram) 233

Tax Programs 235
- Earned Income Credit (EIC) (Carmen Solomon) 235
- Dependent Tax Exemption (Stacey M. Kean) 239
- Child and Dependent Care Tax Credit (Stacey M. Kean) 243
- Employer-Provided Day Care (Stacey M. Kean) 247
- Tax Deduction for Adoption Expenses (Stacey M. Kean) 249

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LETTER OF SUBMITTAL

February 23, 1987

Honorable George Miller
Chairman, Select Committee on Children,
  Youth, and Families
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

In response to your request, I am submitting a revision and update of the report, "Federal Programs Affecting Children." The report provides information on income, nutrition, social services, education and training, health, housing, and tax programs as they relate to children and their families. Categories of information on each program, including years of data provided, are the result of your request and subsequent negotiations with staff. Twenty-six analysts from six Congressional Research Service divisions and offices contributed program information. The report was coordinated by Sharon House and Sharon Stephan, Specialists in Social Legislation of the Education and Public Welfare Division.

We hope this report will serve the needs of your committee as well as those of other committees and Members of Congress concerned with Federal programs affecting children.

Sincerely,

Joseph E. Ross
Director

Enclosure

FOREWORD

In January, 1984, the Select Committee on Children, Youth, and Families issued the first comprehensive compilation of Federal programs which directly affect children and their families. Now, we have updated that report with "Federal Programs Affecting Children, 1987".

This report, prepared by the Congressional Research Service, continues to further our goal of providing Congress with a broad base of the most current information available concerning programs and policies as they impact on children, youth, and families.

Like the earlier report, we expect this updated reference work to serve as a valuable tool for Congress as well as for groups and individuals interested in how the Federal Government addresses the needs of children and their families.

George Miller
George Miller
Chairman

Dan Coats
Dan Coats
Ranking Minority Member

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FEDERAL PROGRAMS AFFECTING CHILDREN

Committee Print Prepared for the
House Select Committee on Children, Youth, and Families

Coordinated by
Sharon House
and
Sharon Stephan
Specialists in Social Legislation
Education and Public Welfare Division
February 23, 1987

Union Calendar No. 162

100TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
No. 100-258

FEDERAL PROGRAMS AFFECTING CHILDREN, 1987

JULY 31, 1987.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MILLER of California, from the Select Committee on Children, Youth, and Families submitted the following

REPORT:

FEDERAL PROGRAMS AFFECTING CHILDREN

INTRODUCTION 1/

In the broadest sense virtually all Federal programs--indeed all actions by the Federal Government--affect children, by affecting their families and communities, their physical environment, national security, and the economy. A number of programs, however, are directed, at least in part, specifically at children and their families.

This report summarizes Federal programs affecting children that involve actual expenditure of Federal dollars. These include: (1) programs that provide direct cash assistance to children and their families, such as welfare, social insurance, and pensions (to the extent these programs have specific dependent or survivor benefits for children); (2) programs that provide noncash direct assistance for children and their families, such as food, housing, and health programs; (3) programs that support education programs and a wide variety of social services; (4) programs that support research and demonstration projects and training and technical assistance in areas specifically related to children, such as research into child health or training for child welfare workers; and (5) Federal tax laws that provide incentives and relief through deductions and credits that affect children and their families, such as the earned income credit for poor families and the child care tax credit.

1/ Much of this introduction was taken from a 1984 version of this report coordinated by Jan Fowler.

Not every such program is included. For example the Civilian Health and Medical program of the Veterans Administration (CHAMPVA) which helps pay for medical care for eligible dependents and survivors of certain veterans, is not included in tHis report.

Also not included in this paper are Federal laws that regulate or restrict the activities of children or of those adults responsible for them, such as, for example, laws regulating child labor or child pornography.

Programs in the following areas are included in this report: income, nutrition, social services, education and training, health, housing, and taxation. Practically all children are eligible for some programs (e.g., school lunch), while many others are intended to serve children in different specific circumstances, including: children disadvantaged by low income; children, both poor and nonpoor, who have lost support of one or of both parents because of death, disability, abandonment, unemployment, or retirement; disabled and/or handicapped children; children who are experiencing family problems, such as child abuse; children in unique living circumstances with attendant problems, such as migrant children; adolescents with problems making the transition to adulthood; and children whose needs are considered a special Federal responsibility, such as Indian children and children from military families.

Definition of Child

Programs in this report generally focus on those under 18 years of age. A number of programs are focused on children belonging to narrower age groups, such as preschool children or school-age children. A few programs in this report do provide benefits to individuals over the age of 18; however, the report does not include programs or program components that typically serve only those persons 18 or over, such as higher education programs.

Poverty

A number of programs that serve children restrict eligibility to persons who are defined in some way as poor. One common way of assessing poverty is by using the Federal poverty guidelines. These guidelines are adjusted for family size and are changed each year to reflect inflation. In 1987, the Federal poverty threshold for a family of four in the contiguous 48 States is $11,200. A number of programs use this amount, or a percentage of it, to determine program eligibility.

Participation Data

Wherever possible, this report includes information on participation of children in the programs discussed. However, these data mean quite different things from one program to the next. For example, a single participant may receive a monthly cash benefit from an income program or receive a one time service under some other program. Sometimes data are not available at all. Some programs, particularly block grant programs which provide Federal funds to States for broad purposes with little Federal guidance, have few reporting requirements, so information on the characteristics of persons is often unavailable. Many programs serve children along with their families or other eligible adults and do not break down participation by age. Other programs support research, demonstration projects, and training, which are not direct services, and therefore do not have participation data for children. Where available, data are provided for fiscal years 1984 and 1986. For all of the above reasons, program participation figures are generally not comparable across programs.

Funding Amounts

Program descriptions include information on funding for fiscal years 1981, 1984, 1986 and 1987, as available. As with program participation, this information has limitations. Many programs that provide cash assistance or services to families, or to other target groups that include both children and adults, do not break out program funding that goes to children only. Funding data are provided in a variety of ways including: "appropriations," "outlays," (which represent checks disbursed), legal "obligations" to make payments, and "tax expenditures" (Federal tax receipts foregone). The type of funding data provided depends in part on what is available and in part on what is most meaningful for the individual program. Funding data from year to year have not been adjusted for inflation. Note, however, that it is estimated to take $1.28 in 1987 to buy what $1.00 bought in 1981. 2/ Program funding data then is difficult to compare from program to program, and from year to year, and totaling the amounts for all programs is not appropriate.

2/ These figures are based on the implicit price deflator for the Gross National Product (GNP). The figure represents change between FY 1981 and FY 1987. FY 1987 figure is obtained from the economic assumptions used in President Reagan's FY 1988 budget request submitted January 5, 1987.

INCOME PROGRAMS

AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) 3/

Authorization

Title IV-A of the Social Security Act; permanently authorized.

Program Description

The Aid to Families with Dependent Children (AFDC) program was established by the Social Security Act of 1935 as a cash grant program to enable States to aid needy children without fathers.

The AFDC program provides cash payments to needy children (and their caretakers) who lack support because at least one parent is dead, disabled, continually absent from the home, or unemployed (in some States). All States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands offer AFDC for one-parent families; 26 States and 2 jurisdictions also offer AFDC for two-parent families under the AFDC-Unemployed Parent program.

States determine standard of financial need and maximum benefit levels, which in most States are below 100 percent of the need standard. Federal law governs the treatment of recipients' earnings. Federal law imposes a gross income limit, set at 185 percent of the State's need standard. States set

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3/ Prepared by Carmen Solomon, Education and Public Welfare Division.

resource limits within the Federal outer limit of $1,000 in equity value per family in counted resources. Excluded are a home, the equity value of a car up to $1,500 (or a lower State limit); and, at State option, items of personal property deemed essential to daily living. AFDC eligibility entitles recipients to Medicaid coverage and food stamps.

AFDC eligibility ends upon a child's 18th birthday unless his State chooses to pay benefits to high school students until they turn 19.

As a condition of eligibility, AFDC mothers must assign their child support rights to the State and cooperate with welfare offices in establishing paternity of a child born outside of marriage and in obtaining child support payments. Generally, able-bodied recipients are required to register for work or job training unless they are caring for a child under age 6.

The AFDC program is administered by the Office of Family Assistance, located within the Family Support Administration of the U.S. Department of Health and Human Services (DHHS). The program is administered at the local level by county welfare offices.

Funding

Federal matching for AFDC benefits varies among States. All States receive AFDC reimbursements on the basis of the Medicaid formula, which offers cost-sharing for all benefits paid, no matter how high.

The Federal Government pays at least 50 percent of each State's benefit payments. Under matching formulas in law, in FY 1986 roughly 54 percent of each AFDC benefit dollar was paid by the Federal Government and 46 percent was paid by the States, some of which require their local governments to share the costs. The Federal share currently ranges from 50 percent to 78.5 percent, and it is inversely related to State per capita income. The Federal Government also pays 50 percent of administrative costs in all States (90 percent of the cost of installing and developing automated management information systems).

Funding Amounts (Outlays)

FY 1981: $6.8 billion in benefit payments and $835 million in administrative costs.

FY 1984: $7.7 billion in benefit payments and $876 million in administrative costs.

FY 1986 (est.): $8.3 billion in benefit payments and $998 million in administrative costs.

FY 1987 (est.): $7.7 billion in benefit payments and $1.1 billion in administrative costs.

Participation Data

FY 1984: 10.9 million individuals, 7.2 million children

FY 1986 (est.): 10.8 million individuals, 7.2 million children

EMERGENCY ASSISTANCE 4/

Authorization

Title IV-A of the Social Security Act; permanently authorized.

Program Description

This program was established in 1968 to provide financial assistance and social services to needy children under age 21 and their families to meet emergency needs. Assistance may be in the form of cash or such items as food, clothing, rent, utilities, or medical care.

The Social Security Act permits States to give emergency assistance (cash, in-kind aid, medical aid) to needy families with children, including migrant families, for no more than 30 days per calendar year, to "avoid destitution" of the children or to provide living arrangements for them.

In FY 1986 the emergency assistance program was in effect in 29 States and jurisdictions.

The emergency assistance program is administered by the Office of Family Assistance located within the Family Support Administration of DHHS. At the local level, the program is administered by county welfare offices.

4/ Prepared by Carmen Solomon, Education and Public Welfare Division.

Funding

The Federal Government pays 50 percent of the State cost of providing the emergency assistance program.

Funding Amounts (Outlays)

FY 1981: $57.5 million

FY 1984: $76.4 million

FY 1986 (est.): $80.5 million

FY 1987 (est.): $81.9 million

(Spending is for children and adults. The percentage of funds that goes to children is not available.)

Participation Data

FY 1984: 30,300 families

FY 1986 (est.): 32,000 families

CHILD SUPPORT ENFORCEMENT [5]

Authorization

Title IV-D of the Social Security Act; permanently authorized.

Program Description

Title IV-D of the Social Security Act was enacted in 1975 to establish a program of child support enforcement. The program provides services to both AFDC and non-AFDC families to locate absent parents, establish paternity, and to assist in the establishment and collection of court-ordered and administratively-ordered child support payments. The program was enacted in an effort to require absent parents to support their children and thereby reduce AFDC expenditures.

Applicants for and beneficiaries of AFDC are required to make an assignment of support rights to the State in order to receive AFDC. In addition, each applicant or recipient must cooperate with the State if necessary to establish paternity and secure child support.

The support payments made on behalf of AFDC children are paid to the State for distribution rather than directly to the family. However, the first $50 in child support collected on behalf of an AFDC family in any month is paid to the family as an addition to its AFDC grant.

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[5] Prepared by Carmen Solomon, Education and Public Welfare Division.

Non-AFDC families participate in the program on a voluntary basis. Services to non-AFDC families were made a permanent part of the program in 1980. Money collected for non-AFDC families goes directly to the family.

The program is administered by the Office of Child Support Enforcement, located within the Family Support Administration of DHHS. At the State level, the program is administered by the State Child Support Enforcement (IV-D) agency; at the local level by county welfare offices.

Funding

Federal matching of 70 percent is available through FY 1987 to pay State costs of administering the child support enforcement program. The Federal matching share will be reduced to 68 percent in FY 1988 and FY 1989, and to 66 percent in FY 1990 and each year thereafter. Costs of developing or improving management information systems are matched at 90 percent. Collections made on behalf of families receiving AFDC directly offset AFDC benefit costs and are shared between the Federal Government and the States in accordance with the matching formula used for the AFDC program. In addition, States and localities receive incentive payments. The incentive payments are made according to a performance-based sliding scale paying 6 percent to 10 percent of both AFDC and non-AFDC collections. The child support enforcement program was designed with these special incentives to the State and local jurisdictions to obtain their full participation. The incentive payments are subtracted entirely from the Federal share of collections; thus, the States receive a larger share of the collections than the Federal Government.

Funding Amounts (Outlays)

FY 1981: $439 million

FY 1984: $510 million

FY 1986: $697 million

FY 1987 (est.): $771 million

(Represents Federal payments to States to administer their child support enforcement programs.)

Participation Data

FY 1984: 1,194 million cases; 647,000 AFDC cases, 547,000 non-AFDC cases

FY 1986: 1,401 million cases; 708,000 AFDC cases, 693,000 non-AFDC cases

(Represents AFDC and non-AFDC child support enforcement cases in which a collection was made. A case comprises a family head and at least one child.)

SUPPLEMENTAL SECURITY INCOME (SSI) 6/

Authorization

Title XVI of the Social Security Act; permanently authorized.

Program Description

Supplemental Security Income (SSI) was created by the Social Security Amendments of 1972, effective in 1974, to assure a minimum cash income to all aged, blind, or disabled persons with few liquid assets. A child under the age of 18 who has an impairment of comparable severity with that of a qualifying adult may be considered disabled. The Federal Government pays for the basic income floor. At their option and expense, States supplement the basic guarantee.

Title XVI of the Social Security Act entitles to Federal payments persons (1) who are aged 65 or over, blind, or disabled; (2) whose counted income and resources (or, for children whose family's income and resources) fall within limits set by law and regulations, and (3) who live in one of the 50 States, the District of Columbia, or the Northern Mariana Islands. Under the basic Federal benefit, an individual with no countable income receives $340 monthly (January 1, 1987-December 31, 1987); a couple with no countable income receives $510 monthly. Federal SSI benefits are increased annually in January to reflect price inflation. For individuals or couples with an income, $20 per month from

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6/ Prepared by Carmen Solomon, Education and Public Welfare Division.

virtually any source is disregarded in determining the benefit received. In addition, the first $65 of monthly earned income plus one-half of remaining earnings are disregarded. Additional income results in a dollar-for-dollar reduction in benefits.

Countable resources may not exceed $1,800 per individual and $2,700 per couple (January 1, 1987-December 31, 1987). Resource limits are scheduled to increase by $100 a year for an individual and by $150 a year for a couple each year through calendar year 1989. The resource limit will be $2,000 for an individual and $3,000 for a couple in 1989 and years thereafter. Not counted: full value of a home, first $2,000 in equity value of household goods and personal effects; full value of an auto if needed for work or medical treatment, or if modified for use by a disabled person, otherwise the first $4,500 in market value; a life insurance policy not exceeding $1,500 in cash surrender value, or up to $1,500 set aside for burial expenses; and the value of burial plots.

In most but not all States SSI eligibility confers automatic eligibility for Medicaid. An SSI recipient who is a member of an AFDC family may not be included in the AFDC assistance unit; thus, his income and resources are not counted by AFDC.

The SSI program is administered by the Social Security Administration, part of DHHS.

Funding

The SSI program provides a minimum income floor, fully financed by U.S. general revenues to needy persons who are aged, blind, or disabled. States have the option of providing additional payments to SSI recipients at their own expense. If a State chooses to have the Federal Government administer its supplements, Federal funds pay all administrative costs. If States administer their own supplements, they must pay all their costs.

Funding Amounts (Outlays)

FY 1981: $6.4 billion benefit payments, $773 million administrative costs.

FY 1984: $7.5 billion benefit payments, $900 million administrative costs.

FY 1986 (est.): $9.1 billion benefit payments, $1.1 billion administrative costs.

FY 1987 (est.): $9.6 billion benefit payments, $1.0 billion administrative costs.

Participation Data

FY 1984: 4.0 million recipients, of whom nearly 6 percent were blind or disabled children.

FY 1986 (est.): 4.2 million recipients, of whom nearly 7 percent were blind or disabled children.

GENERAL ASSISTANCE TO INDIANS 7/

Authorization

Snyder Act of 1921; permanently authorized.

Program Description

General Assistance to Indians provides cash assistance for needy Indians (descended from a member of a tribe that is recognized by the United States Government) and for needy Alaskan Natives. Recipients must live in Alaska or Oklahoma or on (or near) an Indian reservation in one of 14 other States--Arizona, Colorado (Southern Ute Reservation), Idaho, Kansas, Minnesota (Red Lake Reservation), Mississippi, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, South dakota, or Wyoming. The program is administered by the Bureau of Indian Affairs (BIA) of the Interior Department.

"Needy" families with children are eligible regardless of the structure of the family or the employment status of the principal earner. They need only meet the income and resource tests established for their State by AFDC. They cannot be enrolled in AFDC, which is restricted to one-parent families and (in some States) those whose principal earner is unemployed, or in the Federal program of SSI, which provides cash aid for needy aged persons and for the needy blind or disabled of any age. Further, to receive BIA general assistance, they must

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7/ Prepared by Vee Burke, Education and Public Welfare Division.

live in an area where general cash assistance is not available or is not provided on the same basis to all residents from a State or local government unit. However, they may receive BIA general assistance while their applications are pending for AFDC or SSI. They must accept available employment that they are "able and qualified" to perform.

Maximum benefits for families with children equal those paid to an AFDC family of the same size in the given State. For a family of three persons, they ranged in July 1986 from $120 monthly in Mississippi to $740 in Alaska.

Funding

The program is funded by the Federal Government.

Funding Amounts (Obligations)

FY 1981: $52.9 million

FY 1984: $64.3 million

FY 1986 (est.): $66.5 million

FY 1987 (est.): $66 million

Participation Data (Monthly Average, Persons)

FY 1984: 71,000

FY 1986 (est.): 72,500

(includes both children and adults)

SOCIAL SECURITY (DEPENDENTS BENEFITS) [8]

Authorization

Title II of the Social Security Act; permanently authorized.

Program Description

Social security cash benefits are paid to the dependent children of retired or disabled workers who are entitled to social security benefits, and to dependent children of deceased workers who have worked long enough in employment covered by social security to be insured for survivors' benefits. Children are paid directly or through a representative payee, such as a surviving parent, other relative, or guardian. The amount of the benefit is a percentage of the worker's basic benefit: 50 percent for the child of a retired or disabled worker; and 75 percent for the child of a deceased worker (both subject to a family maximum). The average benefit per child in calendar year 1986 is estimated at $258 a month. Benefits are increased in accordance with increases in the Consumer Price Index (CPI). The administering agency is the Social Security Administration, DHHS.

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[8] Prepared by Geoffrey Kollman, Education and Public Welfare Division.

Funding

A worker becomes insured for benefits through employment covered under the social security law. Coverage is generally compulsory. Payroll taxes on workers' earnings up to a statutory maximum each year are withheld and matched by employers. Self-employed persons pay taxes on their earnings annually up to the same maximum as employees, but at a rate that is roughly twice the employee rate. All taxes are credited to the social security trust funds. In addition, the trust funds receive credit for revenue generated by the income taxation of social security benefits. The trust funds may disburse funds only for: (1) monthly benefits when the worker retires or dies, (including a financial interchange with the Railroad Retirement system); and (2) administrative expenses for each program. No state funds are involved.

Funding Amounts (Outlays)

FY 1981: $11.5 billion

FY 1984: $10.7 billion

FY 1986 (est.): $10.5 billion

FY 1987 (est.): $10.6 billion

(Payments to dependent children only)

Participation Data (Children in Current Payment Status)

FY 1984: 3,400,968

FY 1986 (est.): 3,277,000

UNEMPLOYMENT COMPENSATION (DEPENDENT ALLOWANCE) 9/

Authorization

The Federal Unemployment Tax Act; titles III, IX, and XII of the Social Security Act; Federal-State Extended Unemployment Compensation Act of 1970; and Federal Supplemental Compensation Act of 1982; permanently authorized.

Program Description

The Social Security Act of 1935 created the Federal-State Unemployment Compensation (UC) system. It has two main objectives: (1) to provide temporary and partial wage replacement to involuntarily unemployed workers who were recently employed; and (2) to help stabilize the economy during recessions. The U.S. Department of Labor oversees the system, but each State has its own program. Because Federal law defines the District of Columbia, Puerto Rico, and Virgin Islands as "States" for the purposes of UC, there are 53 State programs.

The States set weekly benefit amounts as a fraction of the individual's average weekly wage up to a State-determined maximum. The potential maximum duration available is 39 weeks. The permanent regular State UC programs usually provide up to 26 weeks. The permanent Federal-State extended benefits program provides up to 13 additional weeks in States where unemployment rates are relatively high.

9/ Prepared by Rich Hobbie, Education and Public Welfare Division.

Fourteen State programs provide dependents' allowances for children and 10 of these States also provide allowances for nonworking spouses. These allowances vary by definition of dependent and amount provided. In general, a dependent must be wholly or mainly supported by the claimant or living with or receiving support from him. Although three States relate the allowance to prior earning, it is usually a fixed amount per dependent. Allowances per dependent range from $1 to $76 per week up to a total for all dependents as high as $103 per week as of September 1986.

Funding

Unemployment Compensation is based on a claimant's recent work history. It is funded by employer payroll taxes. Taxes are deposited in the Federal unemployment trust fund and funds are withdrawn by the States as needed to pay benefits.

Funding Amounts (Outlays for Benefits Only) [10]

FY 1981: $15.4 billion

FY 1984: $15.6 billion

FY 1986 (est.): $15.2 billion

FY 1987 (est.): $14.8 billion

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[10] No data are available on dependents. All figures shown are for the whole UC program.

Participation Data [11]
(Number of Persons Receiving at Least One Week of Benefits)

FY 1984: 9,832,000

FY 1986: 10,378,000

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[11] No data are available on dependents. All figures shown are for the whole UC program.

CIVIL SERVICE CHILD SURVIVOR BENEFITS 12/

Authorization

Title 5 U.S.C.; permanently authorized.

Program Description

Cash benefits are paid to the children of deceased Federal civil service employees and deceased civil service annuitants. A child must be unmarried and must be: (1) under age 18; (2) under age 22 if regularly pursuing a full-time course of study; or (3) any age and incapable of self-support due to physical or mental incapacity. If a civil service employee dies after completing at least 18 months of civilian service, or dies after retiring under the Civil Service Retirement System (CSRS), each surviving child is entitled to an annuity that is adjusted annually to account for increases in the CPI. If there is a surviving spouse each child receives an annuity equal to the smallest of:

1. 60 percent of the average pay for the highest-paid 3 years of service of the employee divided by the number of children;
2. $2,841 per year (in 1987) per surviving child; or
3. $8,526 per year (in 1987) divided by the number of children.

If a civil service employee dies after completing at least 18 months of service, or dies after retiring under the CSRS, and is not survived by a spouse, each surviving child is entitled to an annuity equal to the smallest of:

12/ Prepared by Carolyn Merck, Education and Public Welfare Division.

1. 75 percent of the average pay for the highest-paid 3 years of service of the employee divided by the number of children;
2. $3,412 per year (in 1987) per surviving child; or
3. $10,237 per year (in 1987) divided by the number of children.

Funding

The CSRS is administered by the U.S. Office of Personnel Management (OPM). All payments are made with Federal funds and are paid directly to the surviving children on a monthly basis.

Funding Amounts (Benefit Outlays)

FY 1981: $140 million

FY 1984: $132 million

FY 1986: Not available

FY 1987: Not available

Participation Data

Number of children receiving CSRS child survivor annuities as of September 31 of each fiscal year:

FY 1984: 48,987

FY 1986: Not available

MILITARY SURVIVOR BENEFIT PLAN 13/

Authorization

Survivor Benefit Plan, Public Law 92-425. 14/

Program Description

The Survivor Benefit Plan (SBP) is a voluntary program available upon retirement to members of the military service. 15/ The Plan is designed to provide financial assistance to eligible survivors of military retirees. A retiree is automatically enrolled in the SBP at the maximum level of coverage unless the retiree elects not to participate or to participate at a lesser level of coverage. When the retiree dies, his or her beneficiary receives monthly annuities for as long as the beneficiary remains eligible. Benefits are subject to certain cost of living adjustments.

Spouses are by far the most frequent recipients of SBP annuities. A military retiree may, however, designate as the recipient(s) a child or children, a spouse

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13/ Prepared by David F. Burrelli, Foreign Affairs and National Defense Division.

14/ The Survivor Benefit Plan replaced the Retired Serviceman's Family Protection Plan under which benefits are still being paid to certain survivors.

15/ Retired members of the Coast Guard (Department of Transportation) and Commissioned officers in the Public Health Service (DHHS) and the National Oceanic and Atmospheric Administration (Department of Commerce) are also eligible to participate in the SBP.

and child(ren), former spouse, or a person with an "insurable interest" in the retiree's income.

Eligibility for, and amount of, benefits generally depend upon coverage selected by retiree, retiree status (i.e., from active duty, reserves, or national guard), age retiree dies, and relationship of survivor to the retiree.

Funding

A retiree participating in the SBP has a portion of his or her retired pay deducted by the Government. The amount of the deduction is determined by the level of coverage and type of coverage the retiree selects. These deductions defray 60 percent to 72 percent of the cost of the plan. General revenues make up the rest.

Funding Amounts (Obligations) 16/

FY 1981: $329 million

FY 1984: $500 million

FY 1986 (est.): $675 million

FY 1987 (est.): $774 million

Participation Data 16/

At the end of FY 1984, 94,584 beneficiaries were receiving annuities.

16/ Data furnished are from Department of Defense Statistical Report, the Military Retirement System, Office of the Actuary, Defense Manpower Data Center, RCS No. DDM 1375. Budget data for 1986 and 1987 are from the estimated budget obligation found in the President's Budget.

VETERANS' DEPENDENCY AND INDEMNITY COMPENSATION 17/

Authorization

38 U.S.C. 410 et seq.; permanently authorized.

Program Description

The dependency and indemnity compensation (DIC) program of the Veterans Administration (VA) provides direct payments to surviving spouses, unmarried children and certain parents of service personnel or veterans who die on or after January 1, 1957 as a result of a service-connected disability. Payments are also made on behalf of veterans who die as a result of nonservice-connected causes if the veteran was totally disabled for a certain period of time prior to death. To qualify for DIC payments, a child must be: (1) under age 18; (2) under age 23 and attending a VA-approved school; or (3) a person incapable of self-support because of a mental or physical defect appearing before age 18.

The rate of monthly DIC payments to a surviving spouse depends upon the deceased veteran's military pay grade. This amount (range is from $498 to $1,365 per month) is increased by $79 per month for every child under age 18 and by other amounts for eligible children 18 and over. The DIC rate for a child alone is $251 per month. This per child rate is somewhat lower where there is more

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17/ Prepared by Mary Smith, Education and Public Welfare Division.

than one child. These payment levels were effective as of December 1, 1986. This program is administered by the Department of Veterans' Benefits, VA.

Funding

Funding for this program is appropriated from General Revenue.

Funding Amounts (Outlays)

FY 1981: $257.5 million

FY 1984: $252.5 million

FY 1986: $232.5 million

FY 1987: Not available

(These data are estimates for all cases involving at least one child. Includes spending for the adults in these cases.)

Participation Data (Number of children)

FY 1984: 57,151 (as of September 1984)

FY 1986: 48,536 (as of September 1986)

VETERANS' NONSERVICE-CONNECTED DEATH PENSION 18/

Authorization

38 U.S.C. 532 et seq.; permanently authorized.

Program Description

The VA makes direct payment of pensions to needy spouses and unmarried children of deceased wartime veterans. Generally, the veteran must have had at least 90 days of wartime service, unless discharged or retired sooner for a service-connected disability. If the veteran died in service not in the line of duty, the veteran must have completed at least 2 years of active service.

To receive the death pension, a child must be: (1) under age 18; (2) under age 23 and attending a VA-approved school; or (3) a person incapable of self-support because of a mental or physical defect appearing before age 18.

The amount of the pension depends upon the type of person and the countable income of the beneficiary. Persons who became eligible for a pension after December 31, 1978 receive their pension under the "improved pension program." This program provides an annual pension of $1,011 for a child alone; and $5,234 for a surviving spouse and child. These amounts are reduced by the annual

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18/ Prepared by Mary Smith, Education and Public Welfare Division.

countable income of the beneficiary on a dollar-for-dollar basis. These payment levels were effective as of December 1, 1986.

This program is administered by the Department of Veterans' Affairs, VA.

Funding

Funding for this program is appropriated from General Revenue.

Funding Amounts (Outlays)

FY 1981: $291.4 million

FY 1984: $165.5 million

FY 1986: $117.2 million

FY 1987: Not available

(These data are estimates for all cases involving at least one child. Includes spending for the adults in these cases.)

Participation Data (Number of Children):

FY 1984: 173,012 (as of September 1984)

FY 1986: 109,843 (as of September 1986)

WORKERS' COMPENSATION FOR FEDERAL EMPLOYEES [19]

Authorization

5 U.S.C. 8101 et seq.; permanently authorized.

Program Description

The Federal Employees' Compensation Act (FECA) authorizes monthly cash payments to Federal employees suffering work-related injuries, and to survivors in cases of work-related death. The cost of medical care is also covered.

The presence of a dependent child acts to increase cash payments to injured employees and surviving spouses. For injured employees, payments are increased, from the normal two-thirds of pre-injury pay to 75 percent, if the injured employee has one or more dependent children. Payments to surviving spouses are increased, from the normal half of pre-injury pay, to 60 percent if there is one dependent child or to 75 percent if there are two or more dependent children. Surviving dependent children (orphans) receive cash payments in their own right if there is no surviving spouse--ranging from 40 percent of pre-injury pay for one surviving child to 75 percent, shared equally, if there are four or more surviving children. Cash payments on account of or to a dependent child continue until the child reaches age 18 or marries, whichever occurs first; however, payments can continue past age 18 if the child is in school (through age 22) or if the child is incapable of self-support because of a disability. All cash payments to long-term recipients (those on the rolls for more than a year) are indexed annually to changes in the CPI; however, minimum and maximum benefit rules constrain the amounts actually paid.

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[19] Prepared by Joe Richardson, Education and Public Welfare Division.

FECA benefits are administered by the U.S. Department of Labor, with the cooperation of the appropriate employing agency.

Funding

FECA benefits are funded through annual appropriations from the Federal Treasury to the Labor Department, and transfers of funding from the employing agencies. They are paid directly to recipients or medical service providers.

Funding Amounts

Payments to FECA cases with children are not available for all years; however, Labor Department staff have estimated that about $425 million was paid to cases with children in FY 1983. Outlays for cash benefits to all FECA cases are listed below:

FY 1981:	$690 million 20/
FY 1984:	$724 million 21/
FY 1986:	$857 million 22/
FY 1987:	$857 million 22/

20/ Estimate based on the FY 1984 proportion of cash benefits to all benefits.

21/ Actual.

22/ Estimate derived from the FY 1987 budget estimate showing no expected change in FECA costs between FY 1986 and FY 1987.

Participation Data

According to the most recent Labor Department staff estimate, approximately 50,000 cases on the FECA rolls in FY 1983 included children as primary beneficiaries or dependents; this represented about 75 percent of the average number of FECA cases during FY 1983.

FEDERAL BLACK LUNG DISABILITY BENEFITS PROGRAM [23]

Authorization

Black Lung Benefits Act (title IV of the Federal Coal Mine Health and Safety Act of 1969); permanently authorized.

Program Description

The Black Lung Benefits Act provides for monthly cash payments to eligible coal miners totally disabled by coal workers' pneumoconiosis ("black lung"), and to their survivors in case of death form black lung. The cost of medical care is also covered.

Cash payments are increased from the normal monthly benefit for one recipient--i.e., 37.5 percent of the salary level of a GS-2 Federal employee--if there are dependent children. In the case of a disabled miner with dependent children, a surviving spouse with dependent children, and surviving orphans, cash benefits can range up to double the payment for one recipient--i.e., up to 75 percent of a GS-2 Federal salary. Benefits on account of or to a child continue until the child reaches age 18 or marries, whichever occurs first; however, they can continue beyond age 18 if the child is treated as a student or as disabled for social security purposes. Cash benefits are "indexed" to any changes in Federal salary levels and, in FY 1986, monthly payments ranged from $328 to $656.

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[23] Prepared by Joe Richardson, Education and Public Welfare Division.

Black lung disability benefits are administered by the Social Security Administration for claims filed before 1974 ("part B" claims), and by the U.S. Labor Department for those filed later ("part C" claims).

Funding

Part B cash payments are funded through annual appropriations from the Federal Treasury. Part C cash payments, along with medical benefits for all recipients, are funded by the Black Lung Disability Trust Fund, which is in turn financed with a special tax on coal sales. However, in the few cases where a responsible coal mine operator has been identified as liable, the mine operator (or the operator's insurer) pays the benefit cost.

Funding Amounts

Payments to black lung cases with children are not available for all years; however, Social Security Administration and Labor Department staff have estimated that about $90 million was paid to cases with children in FY 1986. Outlays for cash benefits to all black lung cases are listed below:

FY 1981: $1.7 billion

FY 1984: $1.5 billion

FY 1986: $1.5 billion

FY 1987 (est.): $1.5 billion

Participation Data

According to the most recent estimates of Social Security Administration and Labor Department staff, black lung cases having children as primary beneficiaries or dependents represented approximately 6 percent of total cases--about 20,000 cases--in FY 1986.

NUTRITION PROGRAMS

FOOD STAMPS 24/

Authorization

Food Stamp Act of 1977; appropriations authorized through FY 1990.

Program Description

The Food Stamp program provides a monthly supplement, in the form of food stamps, to the food purchasing power of low-income individuals and families. 25/ Food stamp benefits received are usable to purchase food for home consumption and, in certain cases, prepared meals or food-related items such as seeds and plants for growing food at home. Assistance averaged $45 per person per month in FY 1986, although varying by household size and income.

The program's eligibility and benefit rules are federally established and, with few exceptions, are nationally uniform. Eligibility generally depends on a household's income and liquid assets; however, most adult household members must fulfill any work-related requirements imposed by administering State welfare agencies. The program aims at assisting households with gross monthly incomes below 130 percent of the Federal poverty levels; households where all members

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24/ Prepared by Joe Richardson, Education and Public Welfare Division.

25/ In Puerto Rico, the Commonwealth's Nutrition Assistance program, funde by a Federal block grant of funds authorized under the Food Stamp Act, provide benefits in the form of cash. In addition, certain elderly and disable households receive their benefits in cash.

receive Aid to Families with Dependent Children (AFDC) or Supplemental Security Income (SSI) benefits are automatically eligible for food stamps.

Monthly benefit allotments represent the difference between the cost of the U.S. Department of Agriculture's (USDA) "Thrifty Food Plan" (i.e., the maximum monthly benefit) and 30 percent of the recipient household's countable monthly income (i.e., the household's expected contribution to its own food costs). Benefit levels and income eligibility standards are indexed for inflation annually.

Administration of the Food Stamp program is the responsibility of the USDA's Food and Nutrition Service at the Federal level. State and local welfare departments carry out actual eligibility and benefit determinations under Federal rules and issue monthly benefits.

Funding

All food stamp benefit costs are borne by the Federal Government, in addition to its own administrative costs and half of most State and local administrative expenses. States and localities finance the remaining administrative expenditures.

Funding Amounts (Obligations)

FY 1981: $8.2 billion 26/

FY 1984: $9.8 billion 27/

FY 1986: $9.7 billion 27/

FY 1987: $9.8 billion 28/

Participation Data

According to the most recently released USDA survey of the characteristics of food stamp households (in February 1983), households with children made up 68 percent of all participating households, and children under age 18 accounted for 52 percent of all recipients.

26/ Estimated benefits to households with children based on the proportion (77 percent) shown in an August 1981 survey of the characteristics of food stamp households. Includes benefits in Puerto Rico.

27/ Estimated benefits to households with children based on the proportion (85 percent) shown in a February 1983 survey of the characteristics of food stamp households. Includes benefits in Puerto Rico.

28/ Estimated benefits to households with children based on the proportion (85 percent) shown in a February 1983 survey of the characteristics of food stamp households, and assuming a $100 million increase in benefit spending over the most recently reported figures for FY 1986. Includes benefits in Puerto Rico.

NATIONAL SCHOOL LUNCH PROGRAM 29/

Authorization

National School Lunch Act of 1946; permanently authorized.

Program Description

The National School Lunch Program provides Federal cash and commodity assistance to schools serving nonprofit lunches to students each school day. The program requires, among other things, that lunches meet certain nutritional standards set by USDA and that all participating children receive subsidized lunches, and that children from lower income families receive free and reduced-price lunches. Children with family incomes at or below 130 percent of the Federal poverty income level receive free lunches, those above 130 percent but at or below 185 percent of poverty receive lunches at a reduced-price, and children above 185 percent receive lunches at the full (but still subsidized) price. (These full price meals are referred to as "paid" lunches.)

Schools eligible to participate in the lunch program are all public elementary and secondary schools, and private, nonprofit elementary and secondary schools that do not charge more than an average annual tuition of $2,000 per student. Also eligible to participate in the program are public and private, nonprofit licensed residential child care institutions (e.g., orphanages, homes for retarded children, and temporary homes for runaway children). According to

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29/ Prepared by Susan Schillmoeller, Education and Public Welfare Division.

USDA, in 1984 about 95 percent of all public schools and 29 percent of all private schools participated in the school lunch program for a total representation of 81 percent of all schools and 92 percent of all school children. The school lunch program is administered at the Federal level by the Food and Nutrition Service of UDSA.

Funding

Federal assistance to States (usually State educational agencies (SEAs)) for the school lunch program is provided in the form of legislatively set cash or commodity reimbursement rates, adjusted for inflation each July 1, for each meal served. The amount of the Federal cash reimbursement varies according to the family income of the participating child although all meals are minimally subsidized through a "basic" reimbursement regardless of family income (section 4 of the National School Lunch Act). In addition to the "basic" cash assistance, additional cash reimbursement is provided for each meal served to low-income children who receive free and reduced-price lunches (section 11 of the National School Lunch Act).

State matching funds of at least 30 percent are required for the "basic" cash assistance (i.e., all those funds provided for meals served to children regardless of their family income). These matching funds, plus local revenues and students' meal payments are used to cover the full costs of operating the program. The school lunch program is the only child nutrition program which has requirements for State matching. In addition to cash assistance, commodity assistance is also provided for each school lunch served. See description of commodity assistance program below.

Funding Amounts (Appropriations) 30/

FY 1981: $2.4 billion

FY 1984: $2.6 billion

FY 1986 (est.): $2.7 billion

FY 1987 (est.): $2.9 billion

Participation Data (Average Daily Participation)

FY 1984: 23.3 million

FY 1986 (est.): 23.6 million

30/ Does not reflect use of unobligated funds from previous fiscal years, or program shortfalls funded from the succeeding FY appropriation. Does not include value of commodity assistance.

SCHOOL BREAKFAST PROGRAM [31]

Authorization

Child Nutrition Act of 1966; permanently authorized.

Program Description

The school breakfast program provides Federal funds to assist in providing breakfasts to children in schools and residential child care institutions. The program must operate on a nonprofit basis, and provide breakfasts which meet nutritional criteria set by USDA.

All children attending a participating school may receive such subsidized breakfasts, and are charged for each meal according to their family income. Children from families with incomes at or below 130 percent of the Federal poverty income level receive free breakfasts, those falling above 130 percent but at or below 185 percent of poverty receive reduced-price breakfasts, and children above 185 percent of poverty receive breakfasts at the full price (so-called "paid" breakfasts).

All public elementary and secondary schools are eligible to participate in the school breakfast program. Private, nonprofit elementary and secondary schools that do not charge more than an average annual tuition of $2,000 per student are also eligible to participate as are public and private nonprofit licensed residential child care institutions.

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[31] Prepared by Susan Schillmoeller, Education and Public Welfare Division.

The program is administered at the Federal level by the Food and Nutrition Service of USDA.

Funding

Through the State educational agency, participating schools receive Federal assistance to serve breakfasts according to legislatively set reimbursement rates for each breakfast served. The amount of Federal reimbursement varies according to the family income of the participating child. A "regular" reimbursement rate is available to all participating schools and institutions for breakfasts served to non-poor children. Higher rates are set for breakfasts served free or at reduced-price to low-income children. Additionally, schools which serve more than 40 percent of their school lunches to such low-income children may receive additional "severe need" reimbursement for such breakfasts. There is no specific limit set on how much a school may charge for so-called "paid" breakfasts. Schools may set prices that are higher than their costs for such paid breakfasts to assist in meeting uncovered costs for free and reduced-price breakfasts. However, schools may not make an overall profit on their breakfast programs. There are no State matching requirements for the school breakfast program.

Funding Amounts (Appropriations) 32/

FY 1981: $321.0 million

FY 1984: $372.6 million

FY 1986 (est.): $410.9 million

FY 1987 (est.): $436.4 million

32/ Does not reflect use of unobligated funds from previous fiscal years, or program shortfalls funded from the succeeding FY appropriation.

Participation Data (Average Daily Participation)

FY 1984: 3.43 million

FY 1986 (est.): 3.60 million

CHILD CARE FOOD PROGRAM 33/

Authorization

National School Lunch Act of 1946; permanently authorized.

Program Description

The child care food program was designed to assist States in providing nutritious meals to children in day care centers, family and group day care homes and Head Start centers. Program sponsorship is limited to public and private nonprofit child care centers and family and group day care homes. For-profit sponsors may receive assistance under the child care food program if they receive compensation for child care under the Social Services Block Grant (title XX of the Social Security Act) for at least 25 percent of the children they serve. In order to qualify for the program, centers and homes must be licensed or approved according to Federal, State, or local standards.

All children in participating child care centers are eligible to receive subsidized meals or snacks. The family income cut-off levels for eligibility for free meals or snacks is 130 percent of the Federal poverty level and 185 percent of poverty for reduced-price meals and snacks. However, the children of family day care home providers may only participate in the child care food program if their family income is at or below 185 percent of the Federal poverty guidelines. Children under age 12, migrant children under age 15, and handicapped

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33/ Prepared by Susan Schillmoeller, Education and Public Welfare Division.

children (no age limit) are eligible to participate in the child care food program. The vast majority of children served by the program are between the ages of 3 and 5 years old.

The program is administered at the Federal level by the Food and Nutrition Service of USDA.

Funding

Each meal served in child care centers and family and group day care homes is federally subsidized. Federal support for the child care food program is provided through the appropriate State agency (usually the SEA), on the basis of annually adjusted legislatively mandated subsidy rates. Breakfasts, lunches, suppers, and supplements (snacks) may be reimbursed; however, the number is limited to two meals and one supplement per day per child.

For child care centers, reimbursement rates are based on the family income of the individual child receiving the meal or supplement. Basic rates are established for meals and snacks served to all children in participating centers (these meals are referred to as "paid" meals). Higher rates are provided for meals or snacks served at no charge or at considerably reduced-prices to children whose family income meets federally set income criteria. The reimbursement rates for meals served in child care centers are the same as those provided for school lunches and breakfasts. Supplement (snack) rates are also provided.

Separate rates are established for meals and snacks served in family day care or group homes, but do not vary according to family income as do the rates for child care centers. Administrative payments are also provided for group and family day care homes. There are no State matching requirements for the child care food program.

Commodity assistance is also provided for meals served under the child care food program. See description of commodity assistance program below.

Funding Amounts (Appropriations) 34/

FY 1981: $290.5 million

FY 1984: $356.9 million

FY 1986 (est.): $483.5 million

FY 1987 (est.): $541.7 million

Participation Data (Peak Monthly Average)

FY 1984: 1.1 million

FY 1986 (est.): 1.1 million

34/ Does not reflect use of unobligated funds from previous fiscal years, or program shortfalls funded from the succeeding FY appropriation. Does not include value of commodity assistance. Totals include audit expenses.

SUMMER FOOD SERVICE PROGRAM 35/

Authorization

National School Lunch Act of 1946; authorized through FY 1989.

Program Description

The summer food service program provides funds to assist States in meal service for children from low-income areas during the summer months. Only service institutions located in areas where 50 percent or more of the children are from families with incomes at or below 185 percent of the poverty level may participate in the program. Eligible service institutions are limited to schools, and local, municipal, or county government organizations. Up to two meals a day (lunch or either breakfast or a snack) are served free to all participants, except in camps and programs primarily serving migrants, where up to four meals may be subsidized. The program operates only during the summer months, and there is no individual income test for participants. Summer camps may participate in the program, but only meals served to children from families at or below 185 percent may be subsidized.

The program is administered by the Food and Nutrition Service of USDA.

35/ Prepared by Susan Schillmoeller, Education and Public Welfare Division.

Funding

Through the State education agency, local sponsors of the summer food service program receive Federal cash and commodity assistance for meals they serve under the program. Federal payments are set by law and annually adjusted for inflation. Meals served under the summer food service program are reimbursed at a flat rate without regard to the family income of the participating child. Additional per meal administrative reimbursements are provided to local sponsors as well.

There are no State matching requirements for the summer food service program.

Funding Amounts (Appropriations) [36]

FY 1981: $121.7 million

FY 1984: $105.0 million

FY 1986 (est.): $121.9 million

FY 1987: $132.7 million

Participation Data (Peak Monthly Average)

FY 1984: 1.4 million

FY 1986: 1.6 million

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[36] Does not reflect use of unobligated funds from previous fiscal years, or program shortfalls from the succeeding FY appropriation. Does not include value of commodity assistance.

COMMODITY ASSISTANCE FOR CHILD NUTRITION PROGRAMS 37/

Authorization

National School Lunch Act of 1946; authorized through FY 1989.

Program Description

Commodity assistance for the school lunch, child care food and summer food service programs provides a guaranteed level of commodity support to these programs. Commodities made available include perishable commodities (meat, poultry, fish, fruits and vegetables) and non-perishable commodities (grains, oils, and peanut products). In addition to the guaranteed level of commodity support, "bonus" commodities may be made available to States for child nutrition programs. "Bonus" commodities are those which are donated over and above the guaranteed level of commodity support and that are acquired by USDA through its price support and surplus removal programs. All program participants receive the benefits of commodity assistance, regardless of family income.

Commodity assistance programs are administered by the Food and Nutrition Service, USDA.

37/ Prepared by Susan Schillmoeller, Education and Public Welfare Division.

Funding

The level of commodity support to the school lunch, child care food, and summer food service programs is a legislatively mandated rate of assistance for each meal served to these programs. This per meal rate of assistance is annually adjusted to reflect inflation and is used to determine the full amount of commodities to which a State is entitled. The full level of assistance is determined by multiplying the total number of lunches to be served by the mandated per meal rate of assistance. Based on their level of assistance, each State agency (usually the SEA) requests the amount and kind of commodities that they plan to use in their meal service programs. Two sources of funds are available for the purchase of commodities necessary to fulfill the mandated level of commodity support: (1) funds received from commodity purchases under the child nutrition programs appropriation and (2) funds received under section 32 of the Agricultural Act of 1935.

Bonus commodities are acquired by USDA through its price support and surplus removal programs. When the Commodity Credit Corporation (CCC) acquires significant inventories of price support commodities, section 416 of the Agricultural Act of 1949 authorizes the CCC to donate from these inventories to schools and other institutions. Under the surplus removal program, the Secretary of Agriculture determines when perishable commodities should be purchased and donated to schools and institutions. States are not required to match either the mandated or bonus commodity assistance.

Funding Amounts (Appropriations) [38]

FY 1981: $632.0 million

FY 1984: $464.0 million

FY 1986 (est.): $483.8 million

FY 1987 (est.): $501.8 million

Participation Data

Commodity assistance is provided for each meal served under the school lunch, child care food, and summer food service programs. See participation data for each of these program descriptions for the number of children served by USDA commodity assistance.

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[38] Does not include the value of "bonus" commodities.

SPECIAL MILK PROGRAM 39/

Authorization

Child Nutrition Act of 1966; permanently authorized.

Program Description

The special milk program (SMP) provides Federal funds for milk served to children in public and private non-profit schools and child care institutions provided that these schools do not participate in other Federal child nutrition programs.

All children, regardless of family income, attending a participating school or institution may receive milk under the SMP. Children from families whose income is at or below 130 percent of the Federal poverty guidelines may receive free milk.

The special milk program is administered at the Federal level by the Food and Nutrition Service of USDA.

Funding

The SMP allows participating schools and institutions to offer partially or fully subsidized milk to children. Through the administering State agencies, the Federal Government reimburses schools for each half-pint of milk served at two legislatively set reimbursement rates: free milk served to qualifying low-

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39/ Prepared by Susan Schillmoeller, Education and Public Welfare Division.

income children is fully reimbursed and "paid" milk served to other children is partially reimbursed. Unlike other institutionally-based child nutrition programs, schools are not required to serve free milk to low-income children, but have the option to do so.

There are no State matching requirements for the special milk program.

Funding Amounts (Appropriations) 40/

FY 1981: $119.8 million

FY 1984: $11.9 million

FY 1986 (est.): $11.5 million

FY 1987 (est.): $14.9 million

Participation Data 41/

FY 1984: 1.3 million

FY 1986: 1.1 million

40/ Does not reflect use of unobligated funds from previous fiscal years, or program shortfalls funded from the succeeding FY appropriations.

41/ Special milk participation is an estimate based on the number of half-pints served.

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC) 42/

Authorization

Child Nutrition Act of 1966; authorized through FY 1989.

Program Description

The special supplemental food program for women, infants and children (WIC) provides nutritious supplemental foods to pregnant and post-partum women, infants and children through age 4, determined to be at nutritional risk because of inadequate nutrition (as determined by a competent professional authority) and inadequate income. Beneficiaries receive supplemental food, as specified by USDA regulations. This is provided either in the form of actual food items, or vouchers valid for purchases of specific food items in retail stores. Among the items that may be included in the WIC package are milk, cheese, eggs, infant formula, cereals, and fruit or vegetable juices. USDA regulations specify tailored food packages that provide specified types and amounts of food appropriate for six categories of participants: (1) infants from birth through 3 months, (2) infants from 4-12 months, (3) women and children with special dietary needs, (4) children 1-4 years of age, (5) pregnant and nursing mothers, and (6) postpartum nonnursing mothers.

42/ Prepared by Susan Schillmoeller, Education and Public Welfare Division.

Income standards for participation are generally determined by State and local agencies; however, by law such standards may not exceed the income eligibility level set for reduced-price school lunches (i.e., 185 percent of the poverty guidelines). USDA regulations further specify that agencies may not set income standards that are less than 100 percent of the poverty guidelines.

WIC is administered by the Federal level by the Food and Nutrition Service of USDA. All States participate in the program.

Funding

Federal funds for the operation of this program are provided in the form of grants-in-aid to State health or comparable agencies and/or Indian groups administering the program. Funds are distributed to participating local agencies, and public and nonprofit entities by the administering State or Indian agency. Local agencies include county public health departments, community health agencies, municipal public health agencies, public or private non-profit hospitals, community action agencies, and public welfare agencies. Local agencies must provide access to on-going health services. Up to 20 percent of Federal WIC funds are made available for administrative costs which include costs of certifying nutritional eligibility, food delivery, and warehousing, monitoring, nutritional education, clinic operations, and administration by the State agency. There are no State matching requirements for the WIC program.

Funding Amounts (Appropriations) 43/

FY 1981: $0.9 billion

FY 1984: $1.4 billion

FY 1986 (est.): $1.6 billion

FY 1987 (est.): $1.6 billion

Participation Data (Annual Monthly Average of Women, Infants, and Children)

FY 1984: 3.0 million

FY 1986 (est.): 3.3 million 44/

43/ Does not reflect use of unobligated funds from previous fiscal years, or program shortfalls funded from the succeeding FY appropriation.

44/ Monthly average for the first 5 months of FY 1986.

COMMODITY SUPPLEMENTAL FOOD PROGRAM 45/

Authorization

Agriculture and Consumer Protection Act of 1973; authorized through FY 1990.

Program Description

The commodity supplemental food program (CSFP) provides federally purchased commodities to States which in turn distribute these commodities to low-income pregnant, postpartum, and nursing mothers, and infants and children through age 5 who are vulnerable to malnutrition. Foods provided under the program consist of an array of USDA commodities which include surplus cheese, nonfat dry milk, canned fruits and vegetables and juices, canned beef, peanut butter, and cereal. The kinds and amounts of food provided vary according to the participants who must come to the distribution centers to pick up their food. To participate in the CSFP, participants must have incomes which would qualify them for other Federal, State or local low-income programs. In addition, participants in some States must be determined to be at nutritional risk. No person may participate in both the CSFP and WIC program at the same time.

Administered by the Food and Nutrition Service of USDA, the program operates 28 projects in 12 States.

45/ Prepared by Susan Schillmoeller, Education and Public Welfare Division.

Funding

Through local agencies, States distribute federally purchased commodities to CSFP participants. The amount and variety of commodities are determined by the Secretary of Agriculture. States receive Federal funds, equal to 15 percent of the value of the commodities provided, to administer the program. There are no State matching requirements for the CSFP.

Funding Amounts (Appropriations) [46]

FY 1981: $27 million

FY 1984: $40.2 million

FY 1986 (est.): $40.8 million

FY 1987 (est.): $38.6 million

Participation Data (Includes Women, Infants, and Children)

FY 1984: 150 thousand

FY 1986 (est.): 150 thousand

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[46] Does not reflect use of unobligated funds from previous fiscal years, or program shortfalls funded from the succeeding FY appropriation.

SOCIAL SERVICE PROGRAMS

SOCIAL SERVICES BLOCK GRANT [47]

Authorization

Title XX of the Social Security Act; permanently authorized.

Program Description

Social Services Block Grants (SSBG) are provided to States for activities determined appropriate social services by the State. Typical activities include child day care, protective services for children and adults, and home care services for the elderly and handicapped. This program is administered by the Office of Human Development Services in the Department of Health and Human Services (DHHS).

Funding

Funds are allocated from the Federal Government to the States, according to their relative population size. No matching funds are required.

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[47] Prepared by Karen Spar, Education and Public Welfare Division.

Funding Amounts (Appropriations) 48/

FY 1981: $3.0 billion 49/

FY 1984: $2.7 billion

FY 1986: $2.6 billion

FY 1987: $2.7 billion

(Total program funding; percentage spent on children and youth is not available.)

Participation Data

Not available.

48/ Indicates total program spending. Portion spent on children and youth not available.

49/ Spending for social services, child day care and training under title XX, before 1981 amendments consolidated activities into a block grant.

DAY CARE PROGRAMS (UNDER EMPLOYMENT PROGRAMS FOR AID TO FAMILIES WITH DEPENDENT CHILDREN RECIPIENTS) 50/

Authorization

Title IV of the Social Security Act; permanently authorized.

Program Description

Under title IV of the Social Security Act, States are authorized to establish several different training and employment programs for recipients of Aid to Families with Dependent Children (AFDC). The following programs allow funds to be used for day care: Work Incentive (WIN) Program, Community Work Experience Program, and Job Search.

WORK INCENTIVE (WIN) PROGRAM

Program Description

Under AFDC, most recipients and applicants are required to register for work and training through the WIN program or the WIN demonstration program (a State-run alternative to WIN overseen by DHHS). WIN also provides employment, training and supportive services to AFDC recipients who need such services to find employment. WIN may fund day care as a supportive service to AFDC recipients or may train AFDC recipients as day care workers. At the Federal level, WIN is

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50/ Prepared by Susan Schillmoeller, Education and Public Welfare Division.

jointly administered by the Departments of Labor and Health and Human Services and at the State level by both the State employment and welfare agencies. The WIN demonstration program is administered solely by the State welfare agency.

Funding

Of the appropriated Federal funds, at least 50 percent are allotted to each State according to a formula based on the average number of persons in that State who are registered for work and training and the average number of such persons in all States. State matching funds (cash or in-kind) of 10 percent are required.

Funding Amounts (Entire Program Appropriations)

FY 1981: $365 million

FY 1984: $271 million

FY 1986: $211 million

FY 1987: $110 million

Participation Data

Day care data not available.

COMMUNITY WORK EXPERIENCE PROGRAM

Program Description

At their discretion, States are authorized to operate community work experience programs (CWEP, sometimes referred to as "workfare") which require AFDC recipients to work off their AFDC benefits in projects which are deemed to serve a useful public purpose. These programs must be designed to improve the employability of participants through actual work experience and training, and to enable individuals to move into regular employment. Under a State's CWEP program, AFDC recipients may be required to work in day care facilities.

Funding

Fifty percent Federal matching is available for administrative costs of a State's CWEP program as well as the costs for recipient transportation and child care.

Funding Amounts

Day care data not available.

Participation Data

Day care data not available.

JOB SEARCH

Program Description

States are also authorized to require certain AFDC recipients and applicants to participate in job search programs administered through the State welfare agency. Participants in job search programs must be furnished transportation and other services (including day care) or paid amounts to cover expenses reasonably incurred in meeting employment search requirements, if these expenses are necessary to enable the individual to participate.

Funding

Federal matching of 50 percent is available to pay the cost of State job search programs.

Funding Amounts

Day care data not available.

Participation Data

Day care data not available.

CHILD CARE--APPALACHIAN REGIONAL COMMISSION JOBS AND PRIVATE INVESTMENT PROGRAM [51]

Authorization

Appalachian Regional Development Act of 1965, as amended. Authorizing legislation expired at the end of FY 1982. Since then, the program has been extended through appropriations legislation.

Program Description

Among other things, the jobs and private investment program authorizes matching grants for employment-related child care services to the Appalachian States. Beginning in FY 1983, grants have been awarded to nonprofit organizations to establish or expand child care operations together with a business or industry. The program is administered at the Federal level by the Appalachian Regional Commission.

Funding

The Federal share of the matching grants is 50 percent; the remaining share may be provided through local resources or through other Federal funds where permissible. Grants are awarded directly to the child care provider.

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[51] Prepared by Susan Schillmoeller, Education and Public Welfare Division.

Funding Amounts (Estimated Outlays, Child Care Portion Only)

FY 1981: Not applicable

FY 1984: $1.2 million

FY 1986: $0.25 million

FY 1987: Not available

Participation Data

Day care data not available.

HEAD START 52/

Authorization

Head Start Act of 1981; authorized through FY 1990.

Program Description

Head Start provides educational, social, medical, and nutritional services to low-income preschool children, usually between the ages of 3 and 5. The goal of Head Start is to bridge the gap in early childhood development that is thought to exist between economically disadvantaged children and their more advantaged peers, so that they can begin their formal education on a more equal basis.

To be eligible for Head Start, children must live in families with an income at or below the Federal poverty guidelines; at grantee option, however, up to 10 percent of participating children may be from nonpoor families. No fees are charged to families participating in Head Start programs; however, those who wish to pay may do so. In addition, at least 10 percent of children enrolled in Head Start must be handicapped.

Approximately 82 percent of Head Start programs are half-day, 10 percent are full-day, and 8 percent are combinations of full- and half-days. In the FY 1984 school year, there were 1,281 Head Start programs in the U.S. At the Federal level, Head Start is administered by DHHS.

52/ Prepared by Susan Schillmoeller, Education and Public Welfare Division.

Funding

Head Start funds are allocated to States on the basis of a formula that takes into account the State's FY 1981 allocation and the proportion of child poverty and AFDC child recipient population in each State compared to all the States. The funds are distributed in the form of competitive grants to local Head Start agencies with local grantees providing 20 percent of the Federal share. Thirteen percent of Head Start appropriations are earmarked to Indian and migrant programs, payments to the territories, training and technical assistance, and discretionary payments.

Funding Amounts (Appropriations)

FY 1981: $0.8 billion
FY 1984: $1.0 billion
FY 1986: $1.0 billion
FY 1987: $1.1 billion

Participation Data (Enrollment)

FY 1984: 442,140
FY 1986: Not available

DEPENDENT CARE [53]

Authorization

Omnibus Budget Reconciliation Act of 1981; authorized through FY 1990.

Program Description

The dependent care State grant program provides Federal matching funds to States for planning, developing, establishing, expanding, or improving school-age child care before and after school in public or private school facilities or in community centers; and for establishing or expanding local resource and referral systems providing information on dependent care services. To be eligible for funding for the dependent care services before and after school, States must provide certain assurances, including assurance that parents of children will be involved in the programs; that applicants are able and willing to seek enrollment from racially, ethnically, and economically diverse populations as well as handicapped school-age children; and that programs are complying with State and local child care licensing laws. Funds may not be used to pay for, among other things, cash payments to intended recipients of child care services, subsidies for the direct provision of child care services, or construction or renovation.

The resource and referral systems on dependent care services may include information on the availability, types, costs, and locations of dependent care services. School age child care is to be provided for those from age 5 (or younger, if free public education is provided at an earlier age in a State) to age 13. For the referral system, dependent care refers to care for those less than 17 years old; those age 55 or over; and those with a developmental disability.

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[53] Prepared by Sharon Stephan, Education and Public Welfare Division.

Funding

The dependent care State grant program is a 75 percent Federal matching program. Forty percent of funds appropriated is to be for the information and referral services for dependent care; and 60 percent is to be for the school-age child care services. Up to 10 percent of funds allotted to each State may be used for administration. Funds are to be allotted to States on the basis of their population compared to the population in all States, except that no State is to receive less than $50,000 annually.

Funding Amounts (Appropriations)

FY 1981: Not applicable (program began in FY 1986)
FY 1984: Not applicable
FY 1986: $4.8 million
FY 1987: $5.0 million

Participation Data

Data not yet available.

CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP [54]

Authorization

Human Services Reauthorization Act of 1986; authorized through FY 1990.

Program Description

The child development associate scholarship program provides funding to States for scholarships to financially needy persons who are candidates for the child development associate (CDA) credential (which in many cases is required for employment in child day care). The scholarships are to cover the cost of application, assessment, and credentialing of eligible individuals. Eligible persons are those who are candidates for the CDA credential and whose income does not exceed the poverty line defined in the Community Services Block Grant Act by more than 50 percent. The program is to be administered within DHHS.

Funding

States are eligible for child development associate scholarship grants if they are receiving a grant under title XX of the Social Security Act. Grants are to be equitably distributed among the States, appropriately addressing the needs of rural and urban areas. There is no matching requirement for participating States.

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[54] Prepared by Sharon Stephan, Education and Public Welfare Division.

Funding Amounts (Appropriations)

FY 1981: Not applicable (program to begin in FY 1987)

FY 1984: Not applicable

FY 1986: Not applicable

FY 1987: $1 million

Participation Data

Program does not provide direct services to children.

CHILD WELFARE 55/

Authorization

Title IV-B of the Social Security Act; permanently authorized.

Program Descriptions

Title IV-B of the Social Security Act authorizes three activities relating to child welfare: child welfare services; child welfare training; and child welfare research and demonstration projects. All are administered by the Administration for Children, Youth and Families, DHHS. The following describes each of these programs.

Child Welfare Services: The child welfare services program authorizes Federal matching funds for the provision of child welfare services to children and their families, without Federal income eligibility requirements. Eligible services include those intended to protect the welfare of children; help prevent or solve problems that may result in the neglect, abuse, exploitation or delinquency of children; help prevent the separation of children from their families and help return children who have been removed to their families; and provide for the care of children who cannot be returned home. Because of minimal reporting requirements, there are not comprehensive data on the specific services provided by States under the child welfare services program. According to DHHS estimates, the majority of child welfare services funds (Federal and State

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55/ Prepared by Sharon Stephan, Education and Public Welfare Division.

combined) is spent on foster care services. Other services provided include counseling and rehabilitation; adoption subsidies and services; and child protection services.

Child Welfare Training: The child welfare training program authorizes funding for awards to institutions of higher education, usually social work schools, for student assistance and curriculum development in the child welfare area. The program also funds various regional training institutes, technical assistance projects, and in-service training programs to help States administer Federal child welfare programs.

Child Welfare Research and Demonstration: The child welfare research and demonstration program awards grants to universities, public agencies, and private nonprofit organizations for projects in the child welfare area. Program priorities include broad areas such as helping to improve agency efficiency and program evaluation, and specific projects to help particular groups, such as abused children, disadvantaged unemployed youth, and children and youth in foster care. This program also funds resource centers that provide assistance to States and organizations in the area of child welfare.

Funding

Under law, the child welfare services program is a 75 percent Federal matching program for the costs incurred by State, district, county, or other local child welfare services, including the costs of administering the child welfare services plan. In practice, however, States spend considerably more than the required 25 percent match for child welfare services. The funds are allocated to State public welfare agencies on the basis of the State's population under age 21 and per capita income. There are no Federal requirements regarding distribution of the funds within the State.

Both the child welfare training and the child welfare research and demonstration programs are 100 percent federally funded. Funding may be made in the form of grants, contracts, or cooperative arrangements; and may be made in advance or as reimbursement.

Funding Amounts (Appropriations)

(in millions)

	Child Welfare Services	Child Welfare Training	Child Welfare Research and Development
FY 1981	$163.5	$5.2	$11.2
FY 1984	165.0	3.8	10.0
FY 1986	198.0	3.7	11.3
FY 1987	222.5	3.8	11.3

Participation Data

Because of minimal reporting requirements for the child welfare services program, there are no reliable data on the number of children served. During the 1970s, an estimated 200,000 to 300,000 children annually received services funded by the Federal-State child welfare services program.

FOSTER CARE AND INDEPENDENT LIVING [56]

Authorization

Title IV-E of the Social Security Act. The foster care program is permanently authorized; the independent living program is authorized through FY 1988.

Program Descriptions

Foster Care: The foster care program is an entitlement program that provides Federal matching funds to States for maintenance payments made for AFDC-eligible children in foster care. The program is required of States participating in the AFDC program (all States do). The maintenance payments are to be used for the cost of (and the cost of providing) food, shelter, clothing, daily supervision, school supplies, personal incidentals, liability insurance for the child, and reasonable travel to the child's home for visits. Children receiving IV-E foster care payments are deemed eligible for Medicaid and the State where the child resides is responsible for providing the Medicaid coverage. The foster care program is structured to provide incentives to States to implement programs and procedures to help families remain intact and limit the need for foster care, including linkages with the child welfare services program under title IV-B. The foster care program is administered by the Administration for Children, Youth and Families, DHHS.

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[56] Prepared by Sharon Stephan, Education and Public Welfare Division.

Independent Living: Under the foster care program, payments generally end when the child reaches age 18, although some States continue aid to high school students under age 19. In 1986, a new State entitlement program was established to help States provide services to facilitate the transition of children age 16 and over from foster care to independent living. Services that States may provide include those that would enable participants to seek a high school diploma or equivalent or to take vocational training; provide training in daily living skills; provide for counseling; coordinate otherwise available services; provide for the establishment of outreach programs; and/or provide each participant with a written plan for transitional independent living to be incorporated into the participant's case plan. The independent living program is administered by the Administration for Children, Youth, and Families, DHHS.

Funding

Foster Care: The Federal matching for a given State's foster care expenditures is based on the State's Medicaid matching rate, which averages about 53 percent nationally. States have up to 2 years to claim expenditures made for foster care maintenance payments. Foster care funding is linked to funding for the child welfare services program under title IV-B. If the appropriations for the child welfare services program reach specified levels, each State's expenditures for foster care maintenance are limited to a ceiling amount calculated based on adjusted foster care funding in prior years or the State's under age 18 population. Within this ceiling amount, States may transfer unused foster care funds to child welfare services, with certain limitations. If the mandatory ceiling is not in effect (it has been in effect only 1 year), States are allowed to transfer certain foster care funds within the ceiling amount for use for child welfare services if they implement certain services and procedures intended to protect children in foster care.

Independent Living: Under the independent living program, each State is to receive a share of $45 million in each of FY 1987 and 1988 based on its FY 1984 AFDC foster care caseload. Unused funds are to be allocated to one or more States on the basis of relative need.

Funding Amounts [57]

Foster Care

FY 1981: $304 million (expenditures)

FY 1984: $442 million (expenditures)

FY 1986: $580 million (expenditures)

FY 1987: $637 million, including the independent living program (appropriations)

Independent Living

Independent living program is to begin operation in FY 1987. Estimated expenditures for FY 1987 are $45 million.

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[57] States have up to 2 years to submit claims for foster care expenditures; thus, expenditure figures are subject to change.

Program Participation [58]

Foster Care:

FY 1984: 102,000 average monthly

FY 1986 (est.): 108,000 average monthly

Independent Living:

There are no program participation data available yet for the independent living program.

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[58] States have up to 2 years to submit claims for foster care expenditures; thus participation data are subject to change.

ADOPTION ASSISTANCE [59]

Authorization

Title IV-E of the Social Security Act; permanently authorized.

Program Description

The adoption assistance program is an entitlement program required of States participating in AFDC (all States do). Under this program, States provide adoption assistance payments to parents who adopt Supplemental Security Income (SSI)- or AFDC-eligible children with "special needs." States may claim Federal matching funds for these payments. Amendments in 1986 eliminated the former itemized tax deduction for adoption expenses to provide that Federal matching funds may also be claimed under the adoption assistance program for adoption expenditures made after December 31, 1986, for a child with special needs placed for adoption in accordance with applicable State and local laws. A child with special needs is defined as one with a specific condition or situation, such as ethnic background, age, membership in a sibling group, or mental or physical handicap, which prevents placement without assistance payments. Before designating a child as having special needs, the State must determine that he cannot or should not be returned to his family and that reasonable efforts have been made to place the child without providing assistance. Adoption assistance is available only after the child is placed for adoption and an interlocutory

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[59] Prepared by Sharon Stephan, Education and Public Welfare Division.

(provisional) decree of adoption is issued or the adoption is finalized. Children for who an adoption agreement is in effect and who have been placed for adoption in accord with applicable State and local laws are deemed eligible for Medicaid in the State where the child resides, whether or not adoption assistance payments are being made. The adoption assistance program is administered by the Administration for Children, Youth and Families, DHHS.

Funding

States are entitled to claim Federal matching funds for adoption assistance payments made, based on the State's Medicaid matching rate (which averages about 53 percent nationally). Adoption assistance payments are made to the parents in accordance with an adoption assistance agreement developed between the parents and the State agency. The agreement stipulates the amount of the payments to be made and additional services or assistance to be provided. The payment amounts are determined on the basis of the adoptive parents' circumstances and the needs of the child, but cannot exceed the amount the child would receive for maintenance in a foster family home under the title IV-E foster care program. The payment amounts may be adjusted based on changed circumstances. The payments may continue until the child is 18; if the child is mentally or physically handicapped, payments may continue until age 21, at State option.

Funding Amounts 60/

FY 1981: $0.5 million (expenditures, six States participated)

FY 1984: $26.7 million (expenditures)

FY 1986: $41.4 million (appropriation)

FY 1987: $59.9 million (appropriation)

Participation Data 61/

FY 1984: 11,000 average monthly

FY 1986 (est.): 25,000 average monthly

60/ States have up to 2 years to claim reimbursement for adoption assistance expenditures; thus, expenditure data are subject to change.

61/ States have up to 2 years to claim reimbursement for adoption assistance expenditures; thus, participation data are subject to change.

ADOPTION OPPORTUNITIES [62]

Authorization

Title II of Child Abuse Prevention and Treatment and Adoption Reform Act; authorized through FY 1987.

Program Description

The adoption opportunities program sponsors various projects to facilitate and encourage the adoption of children with special needs, that is, children who are considered hard to place for adoption due to race, age, or handicap. Projects supported by this program include a national adoption information exchange to link prospective adoptive parents with children who are free for adoption; technical assistance to States and many local and private agencies in improving adoption practices; and information to groups and individuals who are interested in adopting special needs children. The program is administered by DHHS.

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[62] Prepared by Susan Schillmoeller, Education and Public Welfare Division.

Funding

One hundred percent Federal funding is provided for demonstration projects to State and local government agencies or public and private nonprofit agencies.

Funding Amounts (Appropriations)

FY 1981:	$5.0 million
FY 1984:	$1.9 million
FY 1986:	$4.8 million
FY 1987:	$5.0 million

Participation Data

Not available.

CHILD ABUSE GRANTS 63/

Authorization

Child Abuse Prevention and Treatment Act; authorized through FY 1987 except the State grant program for improving the handling of child abuse cases which is authorized through FY 1988.

Program Description

The Child Abuse Prevention and Treatment Act, as amended, authorizes three State grant programs and one discretionary grant program relating to the prevention and treatment of child abuse and neglect, as well as a National Center on Child Abuse and Neglect which, among other things, administers these programs and provides for the collection and dissemination of information on child abuse and neglect. Grants to address family violence are also authorized under the Child Abuse Act and are discussed in another section of this report. The child abuse programs are all administered by the Administration for Children, Youth, and Families, DHHS.

One child abuse State grant program authorizes funds for activities to prevent or treat child abuse. To be eligible for these funds, States must meet certain criteria, including establishing provisions for reporting and investigating known and suspected instances of child abuse and neglect and protecting

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63/ Prepared by Sharon Stephan, Education and Public Welfare Division.

the welfare of involved children. Funds are typically used as seed money for innovative projects.

A second State grant program provides funds to States to develop and operate programs for responding to reports of medical neglect of disabled infants with life-threatening conditions. The implementation of such programs is required for receipt of funds under the other two State grant programs.

A third State grant program, established in 1986, is to assist States to develop, establish, and operate programs to improve the handling, investigation, and prosecution of child abuse cases, especially those involving child sexual abuse. To be eligible for this program, which is to be administered in cooperation with the U.S. Attorney General, States must meet specified eligibility criteria; and they must establish and act upon the recommendations of a task force on children's justice regarding changes to be made in the handling of child abuse cases in specified categories.

The child abuse discretionary grants program provides Federal funding for research and demonstration projects aimed at preventing, detecting, and treating child abuse and at service improvement projects.

Funding

There are no Federal matching requirements for the child abuse and neglect grants authorized under the Child Abuse Act. The funding amounts for the State grant program for preventing and treating child abuse are based on each State's under-18 population. At least $9 million of the funds appropriated for the Child Abuse Act annually is to be made available for the State grant program. Up to $5 million annually is authorized under the Child Abuse Act for the additional State grants to help States develop and operate programs for responding to reports of medical neglect. Up to $10 million annually is to be made available from funds collected under the Victims of Crime Act (the crime victims fund) for the State grants for improving the handling of child abuse cases. At least $11 million annually of funds appropriated for the Child Abuse Act is to be used for research and demonstration projects. In addition, up to $5 million annually is to be used for research and demonstration relating to the identification, treatment and prevention of child sexual abuse.

Funding Amounts (Appropriations)

FY 1981:	$22.9 million
FY 1984:	$16.2 million
FY 1986:	$24.8 million
FY 1987:	$25.9 million

(Includes funds for State grants for prevention and treatment, medical neglect grants [which did not begin until FY 1985], and discretionary grants. Does not include funds for State grant program for improved procedures for handling child abuse cases, which are to begin in FY 1987. Amounts for FY 1987 for this program not yet available; see text for source of funds.)

Participation Data

Funding is not yet available for the new State grant program for improving the handling of child abuse cases. Children are not directly served by these programs; thus, there are no data on participants.

CHILD ABUSE CHALLENGE GRANT PROGRAM [64]

Authorization

FY 1985 Continuing Appropriations (P.L. 98-473); authorized through FY 1989.

Program Description

The child abuse challenge grant program is intended to encourage States to establish and maintain trust funds or other funding mechanisms to support child abuse and neglect activities. Activities to be supported by the States include providing statewide educational and informational seminars to enhance public awareness of the problems of child abuse and neglect; encouraging professionals to recognize and deal with problems of child abuse and neglect; making information available to the public and organizations that deal with child abuse and neglect; and encouraging the development of community prevention programs. The program is administered at the Federal level by the Administration for Children, Youth and Families, DHHS; at the State level, the program is administered by the State's trust fund advisory board or, if none, the State liaison agency to the National Center on Child Abuse and Neglect.

64/ Prepared by Sharon Stephan, Education and Public Welfare Division.

Funding

Each eligible State's annual grant amount is to be based on the lesser of 25 percent of the amount made available by the State for child abuse activities the previous fiscal year or on the number of children residing in the State multiplied by fifty cents.

Funding Amounts (Appropriations)

FY 1981: Not applicable (program began in FY 1985)

FY 1984: Not applicable

FY 1986: None

FY 1987: $5 million

Participation Data

Funds under this program were first distributed in FY 1986 (from FY 1985 appropriations). No data are yet available on program participants.

FAMILY VIOLENCE PROGRAMS [65]

Authorization

Child Abuse Prevention and Treatment Act and Victims of Crime Act. Programs under the Child Abuse Act authorized through FY 1987; programs under the Victims of Crime Act authorized through FY 1988.

Program Descriptions

Title III of the Child Abuse Act, as amended, authorizes a variety of activities relating to family violence. The Victims of Crime Act of 1984, as amended, also authorizes activities relating to family violence. The family violence programs under the Child Abuse Act are administered by the Office of Human Development Services, DHHS, except the law enforcement training and technical assistance grants, which are administered by the Office of Justice Programs, Department of Justice (DOJ). The family violence programs under the Victims of Crime Act are also administered by the Office of Justice Programs, DOJ. The following describes these programs.

Family Violence Programs Under the Child Abuse Act: Title III of the Child Abuse Act, as amended, authorizes a program of demonstration grants for States and Indian tribes for activities relating to the prevention and treatment of family violence; mandates the establishment of a national clearinghouse on family violence prevention; and authorizes funds for law enforcement training and technical assistance grants.

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[65] Prepared by Sharon Stephan, Education and Public Welfare Division.

The family violence demonstration grant program authorizes grants for States and Indian tribes for activities intended to prevent family violence and to provide immediate shelter and related assistance to victims and their dependents.

The National Clearinghouse on Family Violence prevention is mandated to collect, prepare, analyze and disseminate information, statistics, and analyses on the incidence, prevention, and assistance to victims of family violence. The activities of the Clearinghouse are to be coordinated with those of the National Center on Child Abuse and Neglect.

The law enforcement training and technical assistance grants are for regionally based training and technical assistance for personnel of local and State law enforcement agencies with means to respond to incidents of family violence. Priority is given to projects that propose to develop, demonstrate, or disseminate information on improved techniques for responding to family violence incidents.

Family Violence Programs Under the Victims of Crime Act, as Amended: The Victims of Crime Act, as amended, authorizes a crime victims fund to consist of fines collected from persons convicted of certain Federal offenses. Up to $110 million collected in this fund is to be used for awards to crime victim compensation programs; for crime victim assistance programs; and for State grants for improving the handling of child abuse cases (described in another section of this report).

Grants under the crime victims compensation program are awarded to States operating programs to compensate victims of crime or their survivors for medical expenses, wage loss, and funeral expenses attributable to a crime and to provide certain other services.

Crime victim assistance grants are given to programs for providing services for victims of crime, including crisis intervention services; temporary shelter; support services; court-related services; and payment for forensic medical exams. Priority for awards is to be given to programs providing assistance to victims of sexual assault, spouse abuse, or child abuse.

Funding

Child Abuse Act: Under the family violence demonstration grant program, each State is allotted an amount based on its population compared to the population in all the States. However, each State is to receive at least the greater of one-half of 1 percent of the amount available or $50,000. Local grantees (those funded by the States) are required to provide a 35 percent match the first year, 55 percent the second year, and 65 percent the third year. Funding to local grantees is limited to $50,000 per year for up to 3 years. Eighty-five percent of the amount appropriated is to be used for the family violence demonstration grant programs.

Up to $2 million annually of funds appropriated for family violence activities under the Child Abuse Act is to be transferred to the Attorney General for law enforcement training and technical assistance grants. The grants are to be awarded competitively to law enforcement agencies with demonstrated effectiveness in preparing law enforcement personnel for handling family violence and priority is to go to agencies proposing to develop, demonstrate or disseminate information on improved techniques for law enforcement officers to respond to family violence.

Victims of Crime Act: Under the crime victim compensation program, State compensation programs are to be awarded annually an amount equal to 35 percent of the amount paid by the program from State funds the previous fiscal year for compensation for victims of crime. (If States don't use their own funds for such a program, they can not receive funds under this program.) If there are not sufficient funds to award States this amount, the percentage is to be reduced. 49.5 percent of the first $100 million in the crime victims fund is to be made available annually for these grants.

Forty-five percent of the first $100 million deposited in the crime victims funds is to be made available annually for crime victim assistance programs. In addition, anything in excess of $105.5 million (up to $110 million) in the fund is to be used for crime victim assistance program grants; and funds earmarked but not used for crime victim compensation grants or the grants under the Child Abuse Act for programs to improve the handling of child abuse cases are to be used for the crime victim assistance grants. Under the crime victims assistance program, each State is to receive $100,000 annually, plus a proportion of any remaining available money in the crime victims fund based on the State's proportion of the U.S. population.

Funding Amounts

	Activities under Child Abuse Act 66/	Crime victims fund
FY 1981:	Not applicable (program began in FY 1985)	Not applicable (program began in FY 1985)
FY 1984:	Not applicable	Not applicable
FY 1986:	$2.4 million	$60 million (est.)
FY 1987:	$8.5 million	Not available

66/ Appropriations for all family violence activities under the Child Abuse Act, including law enforcement training and technical assistance. $550,000 was allocated for the law enforcement training and technical assistance program in 1986.

Participation Data

There are not yet data available on participants in the family violence programs under the Child Abuse Act. Data on children served by the programs under the Victims of Crime Act are not available.

DEPARTMENT OF DEFENSE FAMILY ADVOCACY PROGRAM 67/

Authorization

Legislative authority for the Department of Defense (DoD) Family Advocacy Program derives from language included in legislation appropriating funds for DoD in FY 1982 (P.L. 97-114), FY 1983 (P.L. 97-377), FY 1984 (P.L. 98-212), FY 1985 (P.L. 98-473), FY 1986 (P.L. 99-500), and FY 1987 (P.L. 99-500).

Program Description

In 1981, a DoD directive established "a coordinated Department of Defense-wide Family Advocacy Program (FAP) for the prevention, identification, evaluation, treatment, follow-up, and reporting" of cases of child abuse and neglect and spouse abuse involving military personnel and their families.

The FAP is administered by each of the military services (Army, Navy, Marine Corps, Air Force, and Coast Guard). The Office of the Assistant Secretary of Defense for Force Management and Personnel has overall responsibility for the program. The Military Family Resource Center (MFRC) provides policy, program guidance, and oversight of the DoD FAP. 68/

67/ Prepared by Robert L. Goldich, Foreign Affairs and National Defense Division. Information obtained from Military Family Resource Center.

68/ The Coast Guard also participates in the FAP by agreement between the Secretary of Defense and the Secretary of Transportation. Within the Coast Guard, the program is administered by both the Office of Personnel and the Office of Health Affairs. All references to "military services" in this description include the Coast Guard.

In 1986, the DoD Directive was reissued to update DoD policy regarding child and spouse abuse. The Directive provides policy guidance that reflects a number of changes in program organization at DoD. It also reflects changes that have come about as a result of Service program development since the original Directive. The Directive:

1. defines the program as a rehabilitative, not punitive program;
2. urges the services to cooperate with appropriate State authorities in reporting cases of child and spouse abuse;
3. requires the military services to develop a standardized system for gathering and reporting cases of child and spouse abuse;
4. establishes the Military Family Resource Center (MFRC) as a field agency of the Department of Defense; and
5. establishes a Family Advocacy Committee to identify joint-service issues and assist the MFRC Director in coordination of special projects.

Funding

Congress appropriates funds specifically for the FAP. The funds are sub-allocated to the military services. Strict accounting of funds is maintained in five categories: prevention, administration, direct services, education, and training.

Funding Amounts (Appropriations)

FY 1981: Program not in existence

FY 1984: $7.5 million

FY 1986: $12.0 million

FY 1987: $15.1 million

(Funds are for both children and adults)

Participation Data

The FAP covers all dependent children and spouses of active duty military personnel--approximately 1.6 million and 1.2 million respectively. In FY 1984 there were 7,219 substantiated cases of child abuse reported.

In the first 6 months of FY 1986, after instituting new reporting forms and procedures, there were 5,865 alleged cased of child abuse involving military personnel and their families reported to Service Central Registries. Of them, 3,498 were substantiated, 1,895 suspected, and 472 unsubstantiated.

DEVELOPMENTAL DISABILITIES PROGRAM 69/

Authorization

Developmental Disabilities Assistance and Bill of Rights Act; authorized through FY 1987.

Program Description

The developmental disabilities program supports State allotments and discretionary grants to help plan and monitor services, ensure protection of legal rights, develop new service approaches, and train personnel to deliver services to persons with developmental disabilities. The goal of the program is to assist States in assuring that persons with developmental disabilities receive the care, treatment, and other services needed to enable them to achieve their maximum potential. The term developmental disability means a severe, chronic disability that is manifested before age 22, is likely to continue indefinitely, results in substantial functional limitations, and requires lifelong services.

The statute authorizes activities on behalf of persons with developmental disabilities through four grant programs: (1) State formula grants for planning and coordinating services and supporting demonstration service projects; (2) State formula grants for systems that protect and advocate the rights of

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69/ Prepared by Mary F. Smith, Education and Public Welfare Division.

developmentally disabled persons; (3) discretionary grants for university affiliated training projects; and (4) discretionary grants for special projects that demonstrate new service techniques.

Child development services are one of four priority services areas in the State grant program. These services include early identification and intervention, counseling and training of parents, and diagnosis and evaluation of developmental disabilities present in children.

The developmental disabilities program is administered at the Federal level by the Office of Human Development Services, DHHS. The State grant program is administered by the State developmental disabilities planning council appointed by the Governor and by a State administering agency, which is also appointed by the Governor. The protection and advocacy systems are required to be independent of any agency that is providing services to persons with developmental disabilities and may not be administered by the State planning council.

Funding

Funds for the State allotment program and the protection and advocacy program are distributed according to a formula based on State population, the extent of need for developmental disability services, and relative State financial need. Federal funds for the State grant program must be matched on a 75 percent Federal-25 percent State matching basis except in poverty areas where the Federal share is 90 percent. There are no matching funds required of the protection and advocacy program.

Funding Amounts (Appropriations)

FY 1981: $59.4 million

FY 1984: $62.4 million

FY 1986: $76.9 million

FY 1987: $83.7 million

Participation Data

This program provides planning, service coordination, advocacy, and demonstration projects intended to benefit all developmentally disabled children. In FY 1985, 46,681 developmentally disabled children were served in university affiliated facilities, but there are no program data available to indicate the number of children or adults served in other parts of the program.

RUNAWAY YOUTH PROGRAM 70/

Authorization

Runaway and Homeless Youth Act; authorized through FY 1988.

Program Description

The runaway youth program funds local facilities providing temporary residential care and counseling and a national toll-free hotline for runaway and homeless youth and their families. The program is designed to meet the needs of these youth outside the law enforcement structure and the juvenile justice system. The law does not specify age or other eligibility criteria for the program; the regulations define "youth" as a person under the age of 18. Funds may also be used for acquisition and renovation of existing structures, provision of counseling services, staff training, and operating costs. The runaway youth program is administered by DHHS.

Funding

Grants are made directly to the recipient shelter, but funds are allocated by State according to each State's under-18 population. The Federal share is 90 percent.

70/ Prepared by Susan Schillmoeller, Education and Public Welfare Division.

Funding Amounts (Appropriations)

FY 1981:	$11.0 million
FY 1984:	$23.3 million
FY 1986:	$23.3 million
FY 1987:	$23.3 million

Participation Data

	Youths served by centers	Youth served by hotline
FY 1984:	305,500	250,000
FY 1986:	not available	not available

JUVENILE JUSTICE PROGRAM [71]

Authorization

Juvenile Justice and Delinquency Prevention Act of 1974, as amended; authorized through FY 1988 (includes the Missing Children's Assistance Act).

Program Description

The Juvenile Justice and Delinquency Prevention Act represents an attempt by the Federal Government to assist the States, local governments, and private not-for-profit agencies to develop programs aimed at the prevention and treatment of delinquency among juveniles. The Act is administered by the Office of Juvenile Justice and Delinquency Prevention (OJJDP), DOJ. The Act establishes a program of State formula grants and special emphasis programs for a number of activities. These include: community-based alternatives to incarceration, restitution sentences, programs to strengthen the family, diversion, and programs concerned with the special education needs of delinquent children. The Missing Children's Assistance Act allows missing children's names to be entered in the National Criminal Information Center's computerized system. A National Resource Center on Missing Children within OJJDP provides such services as a toll free hotline to report sightings of missing children. Eleven percent of appropriations under the Act is allocated for research to be conducted by the National Institute for Juvenile Justice and Delinquency Prevention.

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[71] Prepared by William Woldman, Government Division.

Funding

Juvenile Justice and Delinquency Prevention: Grants are awarded to States and local governments to assist in planning, establishing, operating, coordinating, and evaluating projects directly or through grants and contracts with public and private agencies. Funds are allocated annually among the States on the basis of relative population of people under age 18, with no State receiving less than $225,000.

Missing Children's Assistance Act: Grants are awarded to public agencies or nonprofit private organizations to educate parents, children, and community agencies in ways to prevent the abduction and sexual exploitation of children; to provide information to assist in locating and returning missing children; and to aid in the collection of appropriate statistics.

Funding Amounts (Appropriations)

Office of Juvenile Justice and Delinquency Prevention:

FY 1981: $109.2 million

FY 1984: $70.2 million

FY 1986: $70.2 million

FY 1987: $70.2 million

Missing Children's Assistance Act:

FY 1981: Not applicable (program not in existence)

FY 1984: $4 million

FY 1986: $4 million

FY 1987: $4 million

Participation Data

Juvenile Justice and Delinquency Prevention: Statistics on the number of juveniles affected is unavailable.

Missing Children: No statistics are available on participation.

ADOLESCENT FAMILY LIFE [72]

Authorization

Title XX of the Public Health Service Act; expired at the end of FY 1985. Since then, the program has been continued through appropriations legislation.

Program Description

The adolescent family life (AFL) program funds demonstration projects to prevent adolescent pregnancy and assist pregnant adolescents and adolescent parents. Two types of services may be offered by grantees: (1) care services, for pregnant adolescents and adolescent parents and their families; and (2) prevention services, which are services to prevent adolescent sexual relations and are available to any adolescent. Care services include services such as adoption counseling, referrals to pediatric care and maternity homes, educational and vocational services, child care, homemaking education, and family planning services. Prevention services include educational services to teenagers and their families, intended to prevent or delay sexual relations, and pregnancy testing, nutritional counseling, and transportation (but not family planning services). Under the law, grantees are to give primary emphasis to serving adolescents under age 18.

The adolescent family life program also funds research projects into the causes and consequences of adolescent pregnancy and parenthood.

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[72] Prepared by Susan Schillmoeller, Education and Public Welfare Division.

Funding

Grants are awarded directly to public agencies and nonprofit organizations. The Federal share of funded projects is 70 percent in the first 2 years, with a decreasing Federal share thereafter. Research projects are 100 percent federally funded.

Funding Amounts

FY 1981:	Not applicable (program began in FY 1982)
FY 1984:	$14.9 million
FY 1986:	$14.1 million
FY 1987:	$14.0 million

Participation Data

	Care services (estimated number of persons served) 73/	Prevention services (estimated number of persons served) 74/
FY 1984:	23,288	66,553
FY 1986:	not available	not available

73/ In addition to pregnant adolescents and adolescent parents, client estimates also include infants, male partners and extended family members.

74/ Includes only those clients receiving "face-to-face" services. Does not include estimates of clients served by certain educational services, such as mass media campaigns.

INDIAN CHILD WELFARE ASSISTANCE [75]

Authorization

Snyder Act of 1921; permanently authorized.

Program Description

The Indian child welfare assistance program provides funds to Indian tribes for foster and institutional care for dependent, neglected, and handicapped children. The program is administered at the Federal level by the Bureau of Indian Affairs (BIA).

Funding

Funds under this program are provided in the form of direct payments to individuals. The program is 100 percent federally funded.

Funding Amounts (Appropriations)

FY 1981: $13.6 million

FY 1984: $14.7 million

FY 1986: $14.6 million

FY 1987: $14.7 million

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[75] Prepared by Susan Schillmoeller, Education and Public Welfare Division.

Participation Data (Monthly Average)

FY 1984: 3,000

FY 1986 (est.): 3,000

INDIAN CHILD WELFARE ACT--TITLE II GRANTS 76/

Authorization

Indian Child Welfare Act of 1978; permanently authorized.

Program Description

Title II of the Indian Child Welfare Act authorizes grants to Indian tribes and organizations for Indian child and family programs. Eligible services include, among others: (1) developing a system for licensing and regulating Indian foster and adoptive homes; (2) various kinds of family assistance, such as homemaker services and day care; (3) the hiring of professionals to assist tribal courts in child welfare matters; (4) guidance and legal assistance to Indian families involved in custody proceedings; and (5) adoptive subsidies for Indian children. The grants are intended to help Indian tribes identify and solve Indian child and family problems, particularly those associated with child custody, foster care, and adoption.

The program is administered at the Federal level by BIA in the Department of the Interior.

76/ Prepared by Susan Schillmoeller, Education and Public Welfare Division.

Funding

Federal funding for programs under the Act is in the form of 100 percent federally funded project grants to local Indian tribes and tribal organizations.

Funding Amounts (Appropriations)

FY 1981: $9.3 million

FY 1984: $8.7 million

FY 1986: $8.4 million

FY 1987: $6.1 million

Participation Data

No data on number of participants.

REFUGEE RESETTLEMENT PROGRAM; CUBAN/HAITIAN ENTRANT PROGRAM [77]

Authorization

Title IV of the Immigration and Nationality Act; title V of the Refugee Education Assistance Act of 1980. Appropriations for both programs are authorized through FY 1988.

Program Description

The Federal refugee program and Cuban/Haitian entrant [78] program are administered by the Office of Refugee Resettlement (ORR), Family Support Administration, DHHS. ORR reimburses States for their share of the costs of AFDC and Medicaid benefits provided to eligible refugee and entrant families for the first 31 months they are in the U.S. Needy refugee and entrant individuals and families who are not eligible for these programs may receive special cash and medical benefits from ORR for up to 18 months. Thereafter, if the refugee or entrant family qualifies for a State or local general assistance program, if available, these benefits are reimbursed by ORR for the following 13 months.

ORR also reimburses States for the non-Federal share of providing child welfare services, including foster care maintenance, to refugee and entrant children for the first 31 months the child is in the U.S. If the child is unaccompanied by a parent or close relative, these reimbursed services, as well as reimbursed health benefits, may be provided until the child reaches age 18, or older if the State's welfare plan so prescribes. Additionally, ORR provides funding for a broad range of social services including targeted assistance for impacted areas, some of which may benefit children (e.g., day care; youth counseling, youth training/employment programs).

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[77] Prepared by Joyce Vialet, Education and Public Welfare Division.

[78] A Cuban/Haitian entrant is defined as either a person who received the formal designation after the Cuban boatlift in 1980; or who is any other Cuban or Haitian national who has been paroled into the U.S., or is otherwise known to the U.S. Immigration and Naturalization Service, and whose immigration status has not been resolved.

Funding

Federal resettlement assistance is provided by ORR mainly through State-administered refugee resettlement programs which distribute the funds through a variety of different procedures. There are no State/local matching requirements.

Funding Amounts (Appropriations)
(in millions)

	Cash assistance	Medical assistance	Social services & targeted assistance
FY 1981	$285.7	$197.3	$100 (est.)
FY 1984	186.7	124.5	146.7
FY 1986	142.7	82.6	116.5
FY 1987 (est.)	142.7	82.6	68.6

(These figures represent appropriations for reimbursements to States for benefits provided to all refugees eligible for these benefits, regardless of age. The percentage of funds that goes to children is not available.)

Participation Data (Total Number of Recipients of Cash Assistance)

FY 1984: 123,000 as of September 30, 1984

FY 1986: 110,500 as of April 1, 1986

FOSTER GRANDPARENT PROGRAM [79]

Authorization

Domestic Volunteer Service Act of 1973; authorized through FY 1989.

Program Description

This program, administered by ACTION, provides part-time volunteer opportunities for low-income persons 60 years and over to provide supportive services to children with physical, mental, emotional, or social disabilities. Agencies which are recipient of funds, place foster grandparents in nonprofit settings such as schools, hospitals, day care centers, and institutions for the mentally or physically handicapped. The foster grandparents work with children who are under 21 years old, except that the law allows a foster grandparent to continue working with a mentally retarded child over 21 as long as the child was receiving services prior to that age. Foster grandparents provide services 20 hours a week on a one-to-one basis to three to four children.

Funding

ACTION awards funds to local agencies to sponsor foster grandparent programs on a project grant basis. Project grants are administered locally and are awarded to private, non-profit organizations and State and local public agencies. Federal funds generally cover 90 percent of the project costs, although the Director of ACTION is authorized to provide funds in excess of 90 percent. Some States have appropriated State funds to expand the foster grandparent program beyond the level of support provided by the Federal Government.

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[79] Prepared by Carol O'Shaughnessy, Education and Public Welfare Division.

Funding Amounts (Appropriations)

FY 1981: $48.4 million
FY 1984: $49.7 million
FY 1986: $53.7 million
FY 1987: $56.1 million

Participation Data (Number of Children Served)

FY 1984 (est.): 64,225
FY 1986 (est.): 66,800

COMMUNITY SERVICES BLOCK GRANT [80]

Authorization

Human Services Reauthorization Act of 1986; authorized through FY 1990.

Program Description

Block grants to States are for providing services to ameliorate or eliminate poverty. Most activities are operated locally by public or nonprofit antipoverty agencies, called Community Action Agencies. Activities include direct service provision, such as child care and transportation, information and referral to other service programs, and self-help projects such as community gardens and housing rehabilitation. Federally, the program is administered by the Office of Community Services, Family Support Administration, DHHS. At the State level, funds are received by the Governor's office, which distributes grants to local governments or private nonprofit agencies.

Funding

Funds are provided to States according to the relative portion of funds received by each State from the former Community Services Administration in FY 1981. Al least 90 percent of each State's allotment must be passed through to local public or private nonprofit Community Action Agencies. No nonfederal match is required.

80/ Prepared by Karen Spar, Education and Public Welfare Division.

Funding Amounts (Appropriations) 81/

FY 1981: $526.4 million 82/

FY 1984: $352.3 million

FY 1986: $354.4 million

FY 1987: $369.9 million

Participation Data

Not available.

81/ Indicates total program spending. Portion spent on children and youth not available.

82/ Funding level for predecessor program, the Community Services Administration.

EDUCATION AND TRAINING PROGRAMS

EDUCATION FOR THE DISADVANTAGED [83]

Authorization

Chapter 1, Education Consolidation and Improvement Act of 1981; authorized through FY 1987.

Program Description

This program is administered by the Office of Elementary and Secondary Education, U.S. Department of Education, as well as by State and local educational agencies. Two major types of programs are authorized under Education Consolidation and Improvement Act (ECIA) chapter 1: local educational agency (LEA) and State educational agency (SEA) programs. Most program funds are appropriated for the LEA grant program, under which compensatory education services are provided to educationally disadvantaged children at the preschool through secondary education levels, attending public and private schools.

The Department of Education has estimated that 75 percent of chapter 1 LEA grant funds are used for basic instructional services, the remainder for support services (e.g., health, transportation, guidance, etc.), adminstration, and minor construction. Approximately 75 percent of LEA program participants receive compensatory reading instruction, 46 percent compensatory mathematics instruction, and 22 percent compensatory "language arts" instruction.

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[83] Prepared by Wayne Riddle, Education and Public Welfare Division.

The State agency programs provide assistance to State agencies that are directly responsible for the education of certain types of children: the handicapped, migratory, or neglected and delinquent children. As with the LEA grant program, funds are used for compensatory education and support services for these specific groups of disadvantaged children served by State agencies.

Chapter 1 also authorizes much smaller programs of grants for State administration and for evaluation and studies of the effectiveness of chapter 1 services.

Funding

Individual LEA grant allocations are based in part on the relative number of children aged 5-17 years: in poverty families; children in institutions for the neglected and delinquent; and children in families receiving Aid to Families with Dependent Children (AFDC) payments in excess of the poverty level for a non-farm family of four. The allocation is also based on the State average per pupil expenditure (within limits). For the State agency programs, a similar formula is used.

Within school districts, LEA grant funds are allocated to the school attendance areas with the greatest relative number or percentage of children from low-income families. Within the selected attendance areas, the most educationally disadvantaged children are to be served, regardless of their family income or whether they attend private or public schools. State agency program funds are distributed to each relevant State institution on the basis of the number of educationally disadvantaged children for whose education it is responsible.

Funding Amounts (Appropriations)

FY 1981: $3.1 billion

FY 1984: $3.5 billion

FY 1986: $3.5 billion

FY 1987: $3.9 billion

Participation Data

FY 1984: approximately 4.8 million children were served in the LEA grant program; approximately 650,000 in State agency programs.

Data not available for later years.

EDUCATION BLOCK GRANT 84/

Authorization

Chapter 2, Education Consolidation and Improvement Act of 1981; authorized through FY 1987.

Program Description

The education block grant offers grants to SEAs and LEAs that may be expended for more than 40 educational activities previously authorized by programs consolidated into the block grant in 1981. State and local program administration must be according to an approved State plan. Authorized activities include basic skills development, educational improvement and support services, and special projects. Not more than 6 percent of total appropriations may be reserved by the Secretary of Education for discretionary grants for projects similar to those operated at the State and local level. All children aged 5 to 17 are eligible to benefit from the program. The goal of the program is to consolidate specified antecedent programs of Federal educational assistance into a single authorization, to be used in accordance with educational needs and priorities of SEAs and LEAs in order to improve such education for both public and private school children. The U.S. Department of Education administers this program.

84/ Prepared by Paul Irwin, Education and Public Welfare Division.

Funding

The education block grant is distributed by formula to SEAs in proportion to the number of children aged 5 to 17, with no State to receive less than 0.5 percent of the total allocation. At least 80 percent of the funds received by States must be allocated to LEAS. There are no State or local matching requirements, but State and local agencies must spend for education at least 90 percent of the amount that was spent in the preceding year in order to receive the full allocation. Federal funds are to be used to supplement and, to the extent practical, increase the level of funds available.

Funding Amounts (Appropriations)

FY 1981:	$600.8 million [85]
FY 1984:	$479.4 million
FY 1986:	$506.2 million
FY 1987:	$529.3 million

Participation Data

All public and private elementary and secondary school children are eligible to receive services from this program; no participation data are collected, however.

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[85] This amount is the appropriation for the antecedent programs that were included as authorized activities in, or repealed by, the education block grant.

EDUCATION PROGRAMS FOR HANDICAPPED CHILDREN 86/

Authorization

Education of the Handicapped Act; the State grant and preschool grants are permanently authorized; grants for early intervention services for handicapped infants and toddlers are authorized through FY 1991; other programs are authorized through FY 1989.

Program Descriptions

The Education of the Handicapped Act authorizes a number of programs to support and improve the education of handicapped children. The administering agencies are the Office of Special Education and Rehabilitative Services, U.S. Department of Education; SEAs and LEAs; nonprofit agencies and institutions of higher learning. The largest program is the State grant program, the Act also authorizes a formula grant program for early intervention services, a pre-school grant, special studies, and other categorical programs.

State Grant Program: The State grant program is designed to assure that every handicapped child aged 3-21 years, residing within a State that participates in this program, receives a free appropriate public education in the least restrictive educational setting. Funds are allotted to States, and through them to LEAs, based on their number of handicapped children aged 3 through 21 years who are receiving a free appropriate public education. The maximum amount a

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86/ Prepared by Wava Gregory, Education and Public Welfare.

State may receive for each handicapped child served is 40 percent of the national average per pupil expenditure (APPE). State grants may only be used to pay for excess costs associated with educating a handicapped child as compared to a non-handicapped child. Although Federal appropriations have increased steadily since FY 1975, the Federal share of the APPE peaked at only 12.5 percent in FY 1979; currently the Federal share is about 8.7 percent.

All States and the outlying areas participate in the State grant program. Plans submitted by States as a condition for their participation in the program are required to demonstrate that: (1) each handicapped child has an individualized educational plan addressing the child's unique special education needs and any related services that may be required for the child to benefit from special education; (2) each child is evaluated and diagnosed by a multi-disciplinary team, including at least one teacher or other specialist with knowledge in the area of suspected disability; (3) parents are involved in and informed of the diagnosis and the initial placement of the child, and the development of the individualized education plan; and (4) the State has established due process procedures under which parents of handicapped children may formally question actions taken by the educational systems with regard to the provision of special education and related services to their handicapped child. The program serves children with a full range of handicapping conditions from the mildly learning disabled to the severely multi-handicapped.

Pre-school Grants: Provides Federal formula grants to States for special education and related services for handicapped children ages 3 through 5 years. By FY 1990, States may receive up to $1,000 per child served under the program; by FY 1991 at the latest, participating States must mandate special education and related services for all handicapped children between age 3 and school age.

Special Studies: Supports research and evaluation projects to survey, document, and analyze the progress and problems in "providing a free, appropriate public education to all handicapped children," as mandated under the State grant program.

Regional Resource Centers: Each regional resource center provides technical assistance to SEAs and LEAs on questions concerning the education of the handicapped and the implementation of the State grant program. These centers disseminate information on exemplary special education programs and practices.

Services for Deaf-Blind Children and Youth: Supports State and local efforts to provide special education and related services to deaf-blind children through technical assistance, preservice and inservice personnel training and other indirect services.

Early Education for Handicapped Children: Supports demonstration and outreach projects to promote comprehensive services for handicapped children birth through age 8.

Programs for Severely Handicapped Children: Assists State and local agencies, institutions of higher learning, and public and private agencies in providing education and training to severely handicapped children.

Postsecondary Education: Supports educational programs for postsecondary-aged and adult handicapped persons, and four regional postsecondary education centers for the deaf.

Secondary Education and Transitional Services for Handicapped Youth: Supports education, training and related services for handicapped youth to assist in the transitional process from school to postsecondary education, vocational training, competitive employment, or adult services, and supports other projects addressing the secondary educational needs of handicapped youth.

Training Personnel for the Education of the Handicapped: Supports local agencies, institutions of higher learning, and public and private agencies to assist them in training personnel for careers in special education and early intervention services for the handicapped (Grants for Personnel Training, sec. 631). Supports SEAs and institutions of higher education to assist them in establishing and maintaining preservice and inservice programs to prepare personnel to meet the needs of handicapped infants, toddlers, children, and youth (Grants for State Educational Agencies and Institutions for Traineeships, sec. 632). Funds national clearinghouses on the education of the handicapped, on postsecondary education for the handicapped and a third clearinghouse to encourage students to seek a career in fields relating to the education of the handicapped (Clearinghouses, sec. 633).

Research and Demonstration Projects in Education of Handicapped Children: Supports research activities to develop new knowledge, methods, and materials to help schools educate handicapped children.

Instructional Media for the Handicapped: Supports the production and distribution of instructional materials for handicapped students, their parents, educators, and employers, including projects to address the problems of illiteracy (Captioned Films and Educational Media for Handicapped Persons, sec. 652). This program also supports projects to advance the use of new technology, media, and materials in the education of the handicapped and in the provision of early intervention services (Technology, Educational Media, and Materials for the Handicapped, sec. 661).

Handicapped Infants and Toddlers: Provides Federal formula grants to States for the development and implementation of statewide systems to provide early intervention services for handicapped infants and toddlers and their families. These services are designed to address the physical and developmental problems of handicapped infants and toddlers birth through age 2 years. Services include identification, diagnosis, family training, counseling and various other support services. Funds are allotted to States primarily based on their relative populations of children birth through age 2 years.

Funding Amounts (Appropriations)
(dollars in millions)

	FY 1981	FY 1984	FY 1986	FY 1987
State grant program	$874.5	$1,068.9	$1,163.3	$1,338.0
Pre-school grants a/	25.0	26.3	28.7	180.0
Early intervention b/	---	---	---	50.0
Special studies	1.0	3.1	3.1	3.8
Regional resource centers	9.8	5.7	6.0	6.7
Services for deaf-blind	16.0	15.0	14.1	15.0
Early education for the handicapped	20.0	21.1	23.0	24.5
Programs for severely handicapped	5.0	4.0	4.8	5.3
Postsecondary education	2.4	5.0	5.3	5.9
Secondary education and transitional services	---	6.0	6.3	7.3
Training personnel	55.4	55.5	61.2	67.7
Recruitment and information (clearinghouses)	1.0	1.0	1.1	1.2
Research and demonstration projects	20.0	15.0	16.1	18.0
Instructional media c/	19.0	14.0	16.7	15.0
Educational technology b/ and materials	---	---	---	3.5
Total	$1,240.6	$1,321.8	$1,349.5	$1,741.9

a/ Program change enacted by P.L. 99-457

b/ New programs enacted by P.L. 99-457.

c/ Prior to FY 1987 includes both projects relating to captioned films and educational media as well as educational technology and materials for the handicapped.

Participation Data

All program participation data was taken from the most recent U.S. Department of Education, Annual Evaluation Report, Fiscal Year 1985, unless noted otherwise.

State Grant Program: 87/ Estimated child count as of July 1, 1984: 4,094,000. Estimated child count as of July 1, 1986: 4,113,000.

Pre-school Grants: 87/ Estimated child count as of July 1, 1984: 243,000. Estimated child count as of July 1, 1986: 260,500.

Regional Resource Centers: In FY 1985 approximately 4,700 handicapped children and 2,750 parents of handicapped children were served.

Programs for Severely Handicapped Children: These projects directly served an estimated 3,300 handicapped persons.

Postsecondary Education: In FY 1985, four institutions provided direct services to over 600 deaf students.

Instructional Media: In FY 1985 approximately 14 million deaf and hearing impaired individuals benefited from one of the numerous activities funded by this program.

87/ Source: U.S. Department of Education, Office of Special Education and Rehabilitative Services.

BILINGUAL EDUCATION PROGRAMS 88/

Authorization

Bilingual Education Act; authorized through FY 1988.

Program Description

The Bilingual Education Act authorizes three programs to support and improve educational services to limited English-proficient students.

Bilingual Education Grants to Local School Districts: Federal grants to local school districts are supported under seven separate components. Grants are awarded to local school districts or schools operated or funded by the Bureau of Indian Affairs to establish, operate or improve English-language instruction programs for limited English-proficient (LEP) students. The projects are designed to build the capacity of the grantee to maintain programs for LEP students when Federal funding is reduced or eliminated. Emphasis is placed on parental and community involvement in planning and operating local programs and on serving those children most in need.

The seven types of grants to local school districts include:

(1) transitional bilingual education grants that use the native language to the extent necessary to teach English and to permit the LEP student to meet grade promotion and graduation standards;

(2) developmental bilingual grants that teach English but also strengthen or develop native language skills;

88/ Prepared by Rick Holland, Education and Public Welfare Division.

(3) special alternative instructional program grants that provide specifically designed classroom instruction for LEP students in English;

(4) academic excellence grants that serve as models of exemplary programs and facilitate the dissemination of effective bilingual educational practices;

(5) family English literacy grants that are designed to teach English to LEP adults and out-of-school youth;

(6) special populations grants that provide educational services to preschool, special education, and gifted and talented LEP students; and

(7) instructional materials grants that develop curricular materials for use with LEP students.

Bilingual Education Training Grants: These activities are intended to increase the pool of trained teachers and to improve the skills of teachers currently instructing LEP students. Training grants support five different types of activities: (1) educational personnel grants to institutions of higher education for the support of degree and non-degree training; (2) fellowships to graduate students; (3) training development and improvement awards for reform of graduate school curricula and the support of university instructors; (4) short-term training institutes for parents, administrators, and teachers; and (5) multi-functional resource centers that conduct training and provide technical assistance.

Bilingual Education Support Services: These programs provide a wide range of services to local school district grant recipients and SEAs and LEAs, institutions of higher education, parents and teachers of limited English-proficient children, and the LEP students themselves. These support services include: development, evaluation, and dissemination of curricular materials for use with LEP students; research and development activities in the area of bilingual education effectiveness, as well as the effectiveness of alternative instructional approaches; an information clearinghouse to collect and disseminate research findings on educational programs for LEP students; support for at least two evaluation assistance centers to provide technical assistance to local school districts in evaluating local projects; and a National Advisory Council on Bilingual Education.

The Office of Bilingual Education and Minority Languages Affairs in the U.S. Department of Education administers the bilingual education program in cooperation with SEAs and LEAs, institutions of higher education, and elementary and secondary schools operated or funded by the Bureau of Indian Affairs (BIA).

Funding

Grants and contracts are awarded on the basis of national competition to SEAs and LEAs, institutions of higher education, elementary and secondary schools operated or funded by BIA, and private organizations. Funds appropriated and awarded in one fiscal year are generally used for activities carried out in the following fiscal year.

Funding Amounts (Appropriations)

(in millions)

	Grants to LEAs	Training grants	Support services	Total
FY 1981	$98.9	$32.1	$18.4	$149.4
FY 1984	89.6	32.6	13.3	135.5
FY 1986	90.9	32.1	10.1	133.1
FY 1987	99.2	33.6	10.4	143.2

Participation Data

Grants to LEAs:

	FY 1984	FY 1986
Transitional programs		
Number of children	182,583	164,337
Developmental programs		
Number of children		563
Alternative programs		
Number of children		12,095
Academic excellence		
Number of children	11,740	7,230
Family English literacy		
Number of students		5,067
Special populations		
Number of children		7,883
Total, Grants to local education agencies		
Number of children	194,323	197,175

MIGRANT HIGH SCHOOL EQUIVALENCY PROGRAM (HEP) 89/

Authorization

Higher Education Act; authorized through FY 1991.

Program Description

The migrant High School Equivalency Program (HEP) is designed to help migrant students obtain a general education diploma that is equivalent to high school graduation. HEP students must be 17 years of age or older and must have engaged in, or be in a family that has engaged in, migrant and seasonal farmwork for at least 75 days during the last 2 years. HEP grants are made only to colleges and universities and to private nonprofit agencies working in cooperation with such schools. Recently about 20 grants have been awarded each year. Students typically receive room and board (most, though not all, live on campuses), stipends for personal expenses, instruction, counseling and placement services, health services, and exposure to other educational and cultural activities.

Funding

Funding for HEP is provided through a national discretionary grant program administered by the Department of Education. Normally grants are to be awarded for 3-year periods. The minimum grant is $150,000. Some recipients provide support of their own for the programs, but this is not required.

89/ Prepared by Bob Lyke, Education and Public Welfare Division.

Funding Amounts (Appropriations)

FY 1981 program year:	$6.2 million
FY 1984 program year:	$6.3 million
FY 1986 program year:	$6.3 million
FY 1987 program year:	$6.0 million

Participation Data

FY 1984 program year:	2,800 students
FY 1986 program year:	2,900 students

STATE AGENCY MIGRANT EDUCATION PROGRAM [90]

Authorization

Chapter 1 of the Education Consolidation and Improvement Act; authorized through FY 1987.

Program Description

State educational agencies are eligible to receive grants for programs meeting the special educational needs of migrant children. All States but Hawaii receive grants, as do the District of Columbia, the Northern Marianas, and Puerto Rico, and about 1,200 programs get funds. An individual program may consist of a number of projects in different schools. In practice most programs are administered by local school districts, not States. Twelve percent are administered by intermediate level school districts, colleges and universities, and other nonprofit agencies. SEAs may also receive contract funds to maintain a migrant student record transfer system and support other coordination activities.

To receive services, students generally must be between 5 and 17 years of age, inclusive, and have moved from one school district to another in the last 12 months with parents or guardians who sought temporary or seasonal employment in agriculture or fishing. Students may also be served, with lower priority, if they made such a move within the past 5 years. Pre-school and older children may also participate. Typically migrant education programs include regular academic instruction, remedial or compensatory instruction, bilingual education, vocational and career education, testing, guidance and counseling, and medical and dental screening.

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[90] Prepared by Bob Lyke, Education and Public Welfare Division.

Funding

In general, funding for the State agency migrant education program is provided by a statutory formula based on the number of migrant students (including those who moved within the past 5 years) between the ages of 5 and 17, inclusive, residing in a State full-time plus the full-time equivalent number of such students residing in a State part-time. Counts are weighted by State average per pupil expenditures for elementary and secondary education. The Secretary of Education may adjust funding to take account of relative need and summer students. While State and local school districts are not required to provide their own funds for the program, they must ensure that Federal funds are used to supplement and not supplant those funds.

Funding Amounts (Appropriations)

FY 1981 program year:	$245.0 million
FY 1984 program year:	$255.7 million
FY 1986 program year:	$264.5 million
FY 1987 program year:	$253.1 million

Participation Data

For FY 1985 program year, 350,000 students. Data not available for other years.

INDIAN EDUCATION PROGRAMS [91]

Authorization

Authorizations for Indian education programs are contained in three separate pieces of legislation--Part A, Indian Education Act, authorized through FY 1989; the Johnson-O'Malley Act, permanently authorized; and the Snyder Act, permanently authorized.

Program Descriptions

The principal Federal Indian education programs are administered by both the Department of Education and the Department of Interior under three programs: the Indian Education Act part A program administered by the Department of Education; and the Johnson-O'Malley (JOM) and Federal Indian school programs administered by the Department of the Interior, BIA. With funds from these agencies, actual programs for Indian children and youth are conducted by the BIA, Indian tribal organizations, LEAs, and SEAs.

Part A of the Indian Education Act authorizes the Department of Education to receive applications for grants from LEAs and Indian-controlled schools operated by Indian tribes or organizations. The amount of funds that an LEA is eligible to receive is based on per-pupil expenditures and the number of Indian school children. These LEA funds are used to meet the special educational needs of Indian school children in the public schools through a variety of academic and cultural enhancement programs that have been approved by required local Indian parental advisory councils. Grants to Indian-controlled schools are used to aid in the establishment of such a school or to provide special enrichment programs in an already existing school.

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[91] Prepared by K. Forbis Jordan, Office of Senior Specialists.

Under JOM, the BIA provides funds to LEAs and tribally operated schools for supplementary education and related services for Indian children. The major portion of JOM funds is allocated to LEAs. The use of JOM funds is subject to approval by a local Indian advisory council.

In recent years, a small portion (less than $1 million) of the annual JOM appropriation has been used for tuition payments to LEAs on behalf of several hundred out-of-district Indian students who reside in Federal dormitories while attending public schools.

Under the authority of the Snyder Act of 1921, the BIA also provides financial support for the education, and in some cases residential care, of Indian children through the direct operation of about 180 BIA-operated and tribally operated contract schools for Indian children residing on Federal Indian lands. The principal source of financing for these schools is the BIA's Indian school equalization program formula.

Funding

Statutory provisions for the part A Indian Education funds and the JOM funds do not require local matching. The Department of Education allocates funds for part A of the Indian Education Act directly to recipient local school districts and tribally operated schools on the basis of approved applications submitted to the Secretary of Education. JOM funds are allocated by the BIA to SEAs, LEAs, and Indian tribes; the funding level for a particular local project is based on the number of Indian school children served and the average per pupil expenditure for their education.

Funds are allocated to the BIA-operated schools and the BIA-funded, but tribally operated, contract schools under a student-based formula to each individual school; the local school board in each school then develops a budget for the operation of the school.

Funding Amounts (Appropriations)

(in millions)

	FY 1981	FY 1984	FY 1986	FY 1987
Indian Education Act, Part A	$ 58.3	$ 50.9	$ 47.9	$ 47.2
Johnson-O'Malley	29.5	26.0	23.0	22.7
BIA school operations	189.4	175.3	198.4	185.5
Total	$277.2	$252.2	$260.3	$255.4

Participation Data

Indian Education Act program: FY 1985 and FY 1986--244,000 Indian children attending public schools and tribally operated schools. FY 1984 data were not available.

Johnson-O'Malley program: FY 1984--175,000 school-age Indian children; and for FY 1986--177,000 school-age children.

Synder Act: FY 1984--support for the operation of Federal Indian and tribally operated schools: 43,000 Indian school children; and for FY 1986--support for the operation of Federal Indian and tribally operated schools: 40,000 Indian school children.

EDUCATION PROGRAMS FOR REFUGEE CHILDREN [92]

Authorization

Immigration and Nationality Act and Refugee Education Assistance Act of 1980; both authorized through FY 1988.

Program Description

There are two education programs for refugee children: the transition program for refugee children and the Cuban and Haitian entrant domestic assistance program. The transition program for refugee children provides grants to States to be used to assist LEAs in providing such activities as testing, special English-language instruction, bilingual education, remedial instruction, and special materials and supplies for refugee students enrolled in public and private nonprofit elementary and secondary schools. LEAs may apply for sub-grants to provide these services, or, if an LEA does not apply, the State may make other arrangements to deliver the services. Up to 15 percent of a State's grant may be used to provide support services for refugee children, including in-service training for educational personnel, school counseling and guidance services, and training for parents.

The Cuban and Haitian entrant assistance program offers the above educational services to Cuban and Haitian entrant children. (Cuban and Haitian entrant children are defined as Cuban or Haitian children who have been paroled into the U.S. or who are otherwise in the U.S. without final resolution of their immigration status.) Beginning in FY 1981, language in supplemental appropriations legislation limited these funds to school districts with more than 10,000 eligible students. From FY 1981 through FY 1986, all funds under the program have been distributed to Dade County, Florida, which is the only LEA with more than 10,000 eligible students.

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[92] Prepared by Rick Holland, Education and Public Welfare Division.

The Office of Bilingual Education and Minority Languages Affairs in the U.S. Department of Education, through an interagency agreement with the U.S. Department of Health and Human Services (DHHS), administers these education programs for refugee children in cooperation with SEAs and LEAs.

Funding

The transition program for refugee children distributes funds to States through formula grants which are based upon the number of eligible refugee children in the States. SEAs subsequently distribute the funds to LEAs. Because the needs of recent arrivals are generally more serious and require immediate attention, the critical element in the formula for deciding a State's funding allocation is the number of eligible refugee children who have been in the U.S. less than 1 year. Significance is also placed on the number of eligible refugee children enrolled in secondary schools rather than on refugee children in elementary schools since older refugee students usually need more language support.

In FY 1985, grants were made to 47 States and the District of Columbia. The grants averaged approximately $202 per refugee student in FY 1985.

Funding Amounts (Appropriations)

	Transition program for refugee children	Cuban and Haitian entrant children	Total
FY 1981	$22.3	$6.0	$28.3
FY 1984	16.6	5.0	21.6 a/
FY 1986	15.9	4.8	20.7
FY 1987	15.9	0.0	15.9

a/ Total funding for all refugee programs for FY 1984 was set at FY 1983 levels by a continuing resolution (P.L. 98-151), pending enactment of reauthorization legislation. While funding for refugee education programs is not specified in the overall refugee programs account, Department of Education officials stated that spending for refugee education programs would be at FY 1983 levels. The continuing resolution also contained an additional $30 million for the education of most categories of alien children, including undocumented children and refugees not covered under the refugee education programs.

Participation Data

FY 1984: refugee children, 93,920; entrant children, 12,000 (est.)

FY 1986: refugee children, not available; entrant children, 12,031

FOLLOW THROUGH [93]

Authorization

Follow Through Act; authorized through FY 1990.

Program Description

The Follow Through program provides assistance to local projects intended to provide comprehensive compensatory education and related services to early elementary school pupils who previously participated in Head Start or similar preschool programs. The program authorizes: (1) grants to LEAs to operate programs; (2) grants or contracts to institutions of postsecondary education to develop educational service models; and (3) grants to LEAs to demonstrate and disseminate information about their programs. The program is intended to develop and disseminate information on exemplary practices in elementary education for disadvantaged children.

Follow Through serves educationally disadvantaged children enrolled in kindergarten through grade 3. In order to be eligible to be served, pupils must generally be from families with income at or below the Federal poverty guidelines, although this requirement may be waived at the discretion of the Secretary of Education. Participants may include children attending private, nonprofit schools. Parental participation is required in the development and operation of Follow Through programs.

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[93] Prepared by Wayne Riddle, Education and Public Welfare Division.

Funding

Follow Through is a project grant program, with funds allocated at the discretion of the Secretary of Education, in accordance with program regulations. Since 1972, grants have been made only to LEAs and postsecondary institutions that had previously received Follow Through assistance. (However, the conference report accompanying the most recent reauthorization legislation states that it is the conferees' "intent to emphasize that this is a competitive grant program and that the grant award process can consider applications other than existing grantees" [H. Rept. 99-815, p. 19]).

Funding Amounts (Appropriations)

FY 1981:	$26.3 million
FY 1984:	$14.8 million
FY 1986:	$7.2 million
FY 1987:	$7.2 million

Participation Data

FY 1984 (est.): 22,000 children 94/

FY 1986: not available

94/ The participant data include only the pupils directly served in LEAs receiving grants to operate Follow Through programs. This does not include pupils served indirectly as a result of current or previous grants for model development or dissemination.

VOCATIONAL EDUCATION 95/

Authorization

Carl D. Perkins Vocational Education Act; authorized through FY 1989.

Program Description

The vocational education program offers grants to State boards of vocational education, State advisory councils, LEAs, and area vocational schools. Funds must be expended for various vocational education activities and programs authorized under the law. Program administration must be according to an approved State plan. Authorized activities are limited to programs and services directly related to the preparation of individuals for employment, or for additional preparation for a career requiring other than a baccalaureate or advanced degree. A small portion of the total appropriation is reserved for the Secretary of Education for discretionary grants for programs of national significance.

Vocational education students of all ages are eligible to benefit from the program. Various set-asides of funds are required for specific programs to assure services for the handicapped, the disadvantaged, students with limited English speaking ability, adults in need of training and retraining, single parents and homemakers, criminal offenders who are in correctional institutions, Indians, and native Hawaiians. The goal of the program is to maintain and improve

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95/ Prepared by Paul Irwin, Education and Public Welfare Division.

vocational educational programs, with the intent of ensuring equity, equal opportunity, and accountability in the delivery of services at the local level through Federal financial participation. The U.S. Department of Education administers this program.

Funding

Federal funds available under the Perkins Act are distributed by formula to State boards of vocational education and to State councils of vocational education. The allocation formula distributes funds to States in proportion to the number of persons in specified age groups, with the amount adjusted to increase the size of grants to States with lower per capita income. No State is to receive less than 0.5 percent of the total allocation. States may reserve up to 7 percent of the basic grant for administrative activities; of the remainder, 80 percent must be allocated to LEAs and postsecondary educational institutions. Matching requirements restrict the use of Federal funds to 50 percent of the cost of State and local administration, program improvement activities, and programs for the handicapped, the disadvantaged, and adults in need of training and retraining. In order to receive grants, State vocational education expenditures must be at least as much as in the preceding year. Federal funds must be used to supplement, and to the extent practical, increase the level of funds available.

Funding Amounts (Appropriations)

FY 1981: $685.6 million

FY 1984: $742.7 million

FY 1986: $813.1 million

FY 1987: $882.0 million

Participation Data

All public and private elementary, secondary, and postsecondary students are eligible to receive services from this program; participation data are not currently collected, however.

TRAINING FOR ECONOMICALLY DISADVANTAGED ADULTS AND YOUTH 96/

Authorization

Title II-A of the Job Training Partnership Act (JTPA); permanently authorized.

Program Description

Funds are provided to States and localities to provide employment-related training to economically disadvantaged adults and youth. Eligible activities include remedial education, on-the-job training in the public and private sectors, a limited amount of subsidized employment for youth, work experience, and a limited amount of supportive services. The program is administered by the Employment and Training Administration of the U.S. Department of Labor. Of funds received by local areas, 40 percent must be spent on services to eligible youth, ages 16-21.

Funding

The Federal Department of Labor allocates funds to States according to a three-part formula, based on unemployment and poverty. States keep 22 percent of the funds for State-wide activities and allocate the remainder, according to the same three-part formula, to local service delivery areas. No match is

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96/ Prepared by Karen Spar, Education and Public Welfare Division.

required except for a limited amount of the State funds set aside for education coordination activities.

Funding Amounts (Appropriations) 97/

FY 1981: $2.1 billion (Comprehensive Employment and Training Act (CETA))

FY 1984: $1.9 billion

FY 1986: $1.8 billion

FY 1987: $1.8 billion

Participation Data

FY 1984: 283,200 individuals younger than 22. Exactly half of these were younger than 19.

FY 1986: Not available.

97/ Indicates total program spending on services to both adults and youth.

JOB CORPS 98/

Authorization

Title IV-B, Job Training Partnership Act; permanently authorized.

Program Description

The U.S. Department of Labor, Employment and Training Administration, contracts directly with private and public organizations to operate Job Corps centers, which are residential programs providing intensive remedial education and skill training for extremely disadvantaged 14- to 21-year-olds.

Funding

Funds are provided from the Labor Department to Job Corps sponsors through contracts. No match is required.

Funding Amounts (Appropriations)

FY 1981: $561.0 million (CETA)

FY 1984: $599.2 million

FY 1986: $612.5 million

FY 1987: $656.4 million

98/ Prepared by Karen Spar, Education and Public Welfare Division.

Participation Data

FY 1984: 100,000 individuals 14-21

FY 1986: Not available

SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAM 99/

Authorization

Title II-B of the Job Training Partnership Act; permanently authorized.

Program Description

Localities use funds provided under this program for employment and training activities, during the summer months, for economically disadvantaged 14- to 21-year-olds. Remedial education also is provided. The program is administered by the Employment and Training Administration, U.S. Department of Labor.

Funding

The Federal Government allocates funds to States according to a three-part formula based on unemployment and poverty. States in turn allocate funds to local service delivery areas according to the same formula. No match is required.

Funding Amounts (Appropriations)

FY 1981:	$839.0 million
FY 1984:	$824.5 million
FY 1986:	$636.0 million
FY 1987:	$750.0 million

99/ Prepared by Karen Spar, Education and Public Welfare Division.

Participation Data

FY 1984: 768,000 individuals age 14-21

FY 1986: Not available

IMPACT AID 100/

Authorization

P.L. 81-874 and P.L. 81-815 relating to financial assistance for local school disticts in areas adversely affected by Federal activities; authorized through FY 1988.

Program Description

The impact aid program provides financial assistance to local school districts where action by the Federal Government has caused a financial burden to the district. This burden can be the removal of land from the local tax base for a tax-exempt Federal facility, the sudden influx of children into the school district due to the opening of a Federal facility, or some combination of both. These school districts are often near Indian reservations, federally subsidized low-rent housing sites, or military bases or other defense-related installations. Impact aid funds are intended to offset the financial burden of this Federal presence on nearby local school districts.

Financial assistance primarily takes the form of per-pupil payments based partially on the amount the local school district contributes to a pupil's educational costs; payments also vary according to the pupil's living circumstance (i.e., whether his or her parents live and/or work on Federal property) and educational needs. Since this program in recent years has not received its

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100/ Prepared by Rick Holland, Education and Public Welfare Division.

full authorized amount, the annual appropriations language specifies the payment levels that school districts receive under the law.

The impact aid program is administered by the Division of Impact Aid, U.S. Department of Education in cooperation with LEAs.

Funding

The impact aid program under P.L. 81-874 (school maintenance and operation) provides financial assistance primarily through formula grants to public elementary and secondary school districts in federally affected areas. The impact aid program under P.L. 81-815 provides financial assistance usually through direct grants to LEAs for the construction and repair of school facilities for federally-connected children.

Section 3 of P.L. 81-874 accounted for over 90 percent of the total FY 1986 impact aid appropriation. LEAs are eligible to receive section 3 assistance if they enroll at least 400 federally-connected children or have at least 3 percent of their total number of students in average daily attendance comprised of federally-connected children. Each school district's section 3 payment essentially represents a percentage of its local contribution rate, which is defined as the average amount of current educational expenditures derived from local revenue sources. The payment rate for section 3(a) children ranges from 30 percent to 100 percent (125 percent for Indian children). The payment rate for students classified as section 3(b) children is 1.5 percent to 17 percent of the school district's local contribution rate. The higher rates for section 3(a) children reflect the fact that their parents live and work on Federal property, which is not subject to local taxation; the lower rates for section 3(b) students reflect the fact that their parents live or work on such non-taxable Federal property resulting in less of a local revenue loss.

Funding Amounts (Appropriations)

FY 1981: $681.8 million

FY 1984: $600.0 million

FY 1986: $682.7 million

FY 1987: $717.5 million

Participation Data

FY 1984: approximately 2,200 LEAs, enrolling about 2 million federally-connected students, received impact aid assistance.

FY 1986: approximately 3,100 LEAs, enrolling approximately 2 million federally-connected pupils, received impact aid assistance.

DEPARTMENT OF DEFENSE DEPENDENTS SCHOOLS 101/

Authorization

Defense Dependent's Education Act of 1978; permanently authorized.

Program Description

The Department of Defense (DoD) administers a world-wide system of schools for dependents of DoD personnel stationed outside of the United States and its possessions. Referred to as the Department of Defense Dependent Schools (DoDDS), the system operates approximately 270 tuition-free schools that offer instruction in grades kindergarten though 12 for minor dependents of DoD military and civilian personnel on official overseas assignments. Funded through the DoD annual appropriation, these schools are administered through five regional offices scattered throughout the world, and operate in 20 nations.

DoDDS enrolls children other than dependents of DoD personnel on a space available basis with a tuition charge. In enrolling tuition students, first preference is to be given to dependents of non-DoD employees of the United States who are assigned to the area and to children of employees of firms that have contracts with DoD.

For students living in areas not served by DoDDS, the program provides either dormitory housing at its schools in other areas or, through contracts, enrollment in an English-speaking school near the student's place of residence.

101/ Prepared by K. Forbis Jordan, Office of Senior Specialists.

Funding

Funding requests for DoDDS are based on the estimated number of students projected to be attending the schools.

Funding Amounts (Allocations) (excludes construction)

FY 1981: $382.4 million

FY 1984: $511.9 million

FY 1986: $546.6 million

FY 1987: Not available

Participation Data

1983-84 school year: approximately 144,000 students

1985-86 school year: approximately 152,000 students

HEALTH PROGRAMS

MEDICAID 102/

Authorization

Title XIX of the Social Security Act; permanently authorized.

Program Description

Medicaid is a Federal-State matching program providing medical assistance for certain low-income persons who are aged, blind, disabled, or members of families with dependent children. Within Federal guidelines each State designs and administers its own program. As a result, substantial variation exists among the States in terms of persons covered, services offered, and amount of payment for such services.

Medicaid, administered at the Federal level by the Health Care Financing Administration, authorizes medical vendor payments for covered services. Under the Medicaid program, all States must cover the "categorically needy." In general, these are persons receiving assistance under the Aid to Families with Dependent Children (AFDC) or Supplemental Security Income (SSI) programs.

In addition to groups that States must cover, there are a number of additional groups that States may cover. Of particular importance is the category known as "Ribicoff children." These are children under age 21 (or, at State

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102/ Prepared by Joseph A. Cislowski, Education and Public Welfare Division.

option age 20, or 19, or 18) who do not meet the definition of a dependent child under AFDC but, whose income and resources fall within a State's AFDC limits. For example, they may be ineligible for AFDC because both parents live at home and the principal breadwinner has a job. States may extend coverage to all Ribicoff children or limit protection to reasonable categories of children, such as those in foster homes, subsidized adoptions, psychiatric institutions, or intermediate care facilities.

Since October 1, 1984, States have been required to extend Medicaid coverage to all such children up to age 5 born on or after October 1, 1983. Therefore, by October 1, 1988, States will be required to cover all Ribicoff children up to age 5. The Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272) permits States to cover and receive Federal matching funds for all such children under age 5 immediately without being required to cover all Ribicoff children.

The Deficit Reduction Act of 1984 (P.L. 98-369) requires States to cover the following groups of persons meeting AFDC income and resources requirements: (1) first-time pregnant women from the time of medical verification of pregnancy (where such women would be eligible if the child were born); and (2) pregnant women in two-parent families where the principal breadwinner is unemployed.

The Omnibus Budget Reconciliation Act of 1986 (P.L. 99-509) allows States, at their option, to cover under Medicaid pregnant women, infants up to age 1, and children up to age 5 (phased-in over a transition period) if their incomes are at or below a State-established threshold which does not exceed the Federal poverty line. Coverage for these newly-covered pregnant women is limited to medical services relating to pregnancy and is extended for 60 days following the pregnancy. Medicaid benefits for these newly-covered infants and children are the same as benefits for cash assistance recipients. Coverage for pregnant women and infants is effective April 1, 1987. Phased-in coverage for children up to age 5 is effective October 1, 1987, and will be extended in 1-year intervals until October 1, 1990.

States may also cover "medically needy" persons, that is, individuals whose incomes are slightly in excess of the standards for cash assistance, provided that (1) they are aged, blind, disabled, or members of families with dependent children, and (2) their income (after deductions for incurred medical expenses) falls below the State standard. States which choose to serve the medically needy may provide the same services to this population group as they do to the categorically needy but are not required to do so. However, States which do provide any services to the medically needy, must, at a minimum, provide ambulatory services for children and prenatal and delivery services for pregnant women.

Medicaid benefits in all States include inpatient and outpatient hospital services; laboratory and x-ray services; skilled nursing facility (SNF) services for those over age 21; home health services for those entitled to SNF care; family planning services and supplies; rural health clinic services; physician services; certified nurse midwife services; and early and periodic screening, diagnosis, and treatment (for those under 21).

The Medicaid Early and Periodic Screening Diagnosis and Treatment (EPSDT) Program is designed to increase the availability and quality of health care to children in low-income families. Under this program, States are required to provide or purchase the care and services necessary to screen, diagnose, or treat individuals under the age of 21 who are members of families designated as "categorically needy" by the Medicaid program. States must also develop an outreach program to inform eligible residents that such services are available. Eligibility for the program is based on Medicaid eligibility criteria. Reimbursement under the program is also under the general Medicaid reimbursement structure.

Funding

The Federal Government's share of Medicaid is tied to a formula which is inversely related to the per capita income of the State; the Federal matching rate thus ranges from 50 to 78 percent. Administrative costs are generally matched at 50 percent except for certain items which are subject to a higher matching rate.

Funding Amounts (Outlays)

($ in billions)

	Dependent children under 21	"Other" Recipients a/	EPSDT
FY 1981	$3.5	$0.6	not available
FY 1984	4.0	0.7	$0.1
FY 1986 (est.)	4.9	0.9	0.1
FY 1987 (est.)	5.2	0.9	0.1

a/ The "other" category primarily includes "Ribicoff children"--children under age 21 (or, at State option age 20, or 19, or 18) who do not meet the definition of a dependent child under AFDC, but whose income and resources fall within a State's AFDC limits.

Participation Data

(in millions)

	Dependent children under 21	"Other" Recipients a/	EPSDT
FY 1984	9.7	1.2	1.9
FY 1986 (est.)	9.9	1.2	not available

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a/ The "other" category primarily includes "Ribicoff children"--children under age 21 (or, at State option age 20, or 19, or 18) who do not meet the definition of a dependent child under AFDC, but whose income and resources fall within a State's AFDC limits.

MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANTS [103]

Authorization

Title V of the Social Security Act; permanently authorized.

Program Description

The Maternal and Child Health (MCH) Services Block Grant provides health services to mothers and children, particularly those with low income or limited access to health services. The purposes of the block grant--administered at the Federal level by the Health Resources and Services Administration--include reducing infant mortality; reducing the incidence of preventable disease and handicapping conditions among children; and increasing the availability of prenatal, delivery, and postpartum care to low-income mothers.

States determine the services to be provided under the block grant. Services can include prenatal care, well-child clinics, immunizations, vision and hearing screening, dental care, and family planning. They may also include inpatient services for crippled children, screening for lead-based poisoning, or counseling services for parents of sudden infants death syndrome victims.

Eligibility criteria under the block grant may be set by the States themselves. States are allowed to charge for services provided; however, mothers and children whose incomes fall below the poverty level may not be charged for services.

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[103] Prepared by Joseph A. Cislowski, Education and Public Welfare Division.

Funding

Eighty-five percent of the MCH block grant appropriation is allotted among the States. Each State's individual allotment is based on the proportion of total funding it received in FY 1981 for certain categorical programs now consolidated under the block grant. These programs were maternal and child health services and crippled children's services, SSI for disabled children, lead-based paint poisoning prevention, sudden infant death syndrome, and adolescent pregnancy. States must contribute $3 of their own funds for each $4 in Federal funds States received.

Fifteen percent of the block grant's appropriation is retained by the Secretary of Health and Human Services for special programs of regional and national significance, including maternal and child health improvement projects, and research, training, hemophilia, and genetic disease grants. These programs are federally administered.

The Omnibus Budget Reconciliation Act of 1986 (P.L. 99-509) increased the authorization for the MCH block grant above its current $478 million appropriation level. Of any newly authorized and appropriated amounts, P.L. 99-509 would allocate a percentage (7 percent in FY 1987, 8 percent in FY 1988, and 9 percent in fiscal year 1989) of any newly authorized and appropriated funds to the Secretary of Health and Human Services for projects for the screening of newborns for sickle-cell anemia and other genetic disorders. P.L. 99-509 would earmark one-third of the remaining new amounts for States to develop demonstration programs and projects that provide (1) primary care services to children, and (2) community-based service networks and case management services for children with special health care needs. The Secretary of Health and Human Services would retain 10 to 15 percent of the one-third of the remaining new amounts for special projects of regional and national significance, training, and research. These new amounts would be earmarked for programs that promote access to (1) primary health care services by children, and (2) community-based service networks and case management services for children with special health care needs.

Funding Amounts (Appropriations)

FY 1981: $387.4 million 104/

FY 1984: $399.0 million

FY 1986: $457.4 million

FY 1987: $478.0 million

(Spending for children and adults. The percentage of funds that goes to children is not available.)

Participation Data

Not available.

104/ First year of MCH block grant was FY 1982. The FY 1981 amount includes funds for the following categorical programs: maternal and child health program, crippled children's program, the emergency maternal and infant care program, special projects, and research and training.

CHILDHOOD IMMUNIZATION 105/

Authorization

Section 317(j)(1) of the Public Health Service Act; authorized through FY 1987.

Program Description

The Centers for Disease Control awards grants to State and community health agencies to help them establish and maintain immunization programs for the control of vaccine-preventable childhood diseases, including measles, rubella, poliomyelitis, diphtheria, pertussis (whooping cough), tetanus, and mumps.

Grant funds may be used for costs of planning, organizing, and conducting immunization programs, and for the purchase of vaccine. Grant applicants may receive vaccine or personnel in lieu of cash under the program. The amount of assistance is determined by the Secretary of Health and Human Services and is based on need and availability.

Funding

State and local agencies may apply for project grant assistance to the appropriate regional office of the DHHS. No matching is required.

105/ Prepared by Ed Klebe, Education and Public Welfare Division.

Funding Amounts (Appropriations)

FY 1981: $24 million

FY 1984: $30 million

FY 1986: $45 million

FY 1987: $75 million

Participation Data

Data on participants not available. In FY 1986 Federal dollars were used to purchase an estimated 16.2 million doses of vaccine.

FAMILY PLANNING 106/

Authorization

Title X of the Public Health Service Act; funded through FY 1987 (under the authority of P.L. 99-591, a continuing resolution.)

Program Description

Title X provides support for family planning clinics, training of family planning personnel, and development and dissemination of family planning and population growth information to all persons desiring such information.

Most title X dollars are awarded by the Office of Family Planning, within DHHS, directly to family planning clinics. In FY 1986, 4,500 clinics received some title X support. Participating clinics are required to offer a broad range of acceptable and effective methods and services to all persons desiring such services--including natural family planning methods, non-directive counseling services, physical examinations (including cancer detection and laboratory tests), infertility services, pregnancy tests, contraceptive supplies, periodic follow-up-examinations, referral to and from other social and medical service agencies, and ancillary services.

106/ Prepared by Joseph A. Cislowski, Education and Public Welfare Division.

Funding

Grants and contracts are available to public or non-profit private entities to establish and operate family planning clinics. The Office of Family Planning allocates funds to the regional DHHS offices which then determine which family planning projects should be funded. No specific State matching requirements exist for these grants. However, Federal regulations specify that no family planning clinic project grant may be fully supported by title X funds.

There is no statutorily mandated target population under title X, although regulations require that priority in the provision of clinic services be given to persons from low-income families. Clinics must provide services free of charge to low-income persons, who are defined by Federal regulation as persons whose income does not exceed 100 percent of the poverty level.

Funding Amounts (Appropriations)

FY 1981:	$161.0 million
FY 1984:	$140.0 million
FY 1986:	$136.4 million
FY 1987:	$142.5 million

(Spending for children and adults. The percentage of funds that goes to women under 20 is not available.)

Participation Data

FY 1984 (est.):	3.9 million
FY 1986 (est.):	3.9 million

(The Office of Family Planning estimates that about one-third of these participants were adolescents.)

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH BLOCK GRANT 107/

Authorization

Title XIX, Part B of the Public Health Service Act; authorized through FY 1987.

Program Description

The Alcohol, Drug Abuse, and Mental Health Block Grant provides financial assistance to State and territorial governments to support projects for the development of more effective prevention, treatment, and rehabilitation programs and activities to deal with alcohol and drug abuse; and to support community mental health centers for the provision of services for mentally ill persons.

States use block grant funds for programs that support:

1. the maintenance of community health centers;
2. both inpatient and outpatient alcohol and drug detoxification programs and counseling;
3. dissemination of public awareness efforts related to troubled youths and availability of mental health services through articles in educational or mental health publications;
4. alcohol and drug abuse prevention programming including school presentations, classes on responsible decision-making and training programs for teachers;

107/ Prepared by Ed Klebe, Education and Public Welfare Division.

5. community day treatment programs and residential programs for early identification and entry into treatment; and
6. community outpatient treatment programs for families and youth, experiencing difficulties due to alcoholism or drugs.

Funding

States must distribute their allotments for drug abuse and alcoholism services in a certain fashion. Of funds received by the State for alcohol and drug abuse activities, at least 35 percent must be used for alcoholism and alcohol abuse services and at least 35 percent for drug abuse services. In addition, of funds available to a State for alcohol and drug abuse services, at least 20 percent must be used for prevention and early intervention programs. No matching is required.

Funding Amounts (Appropriations)

FY 1981: $519 million (FY 1981 figure represents combined funding for categorical program consolidated into the block.)

FY 1984: $462 million

FY 1986: $469 million

FY 1987: $508.9 million

Participation Data

Not available.

PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT 108/

Authorization

Title XIX, Part A of the Public Health Service Act; authorized through FY 1987.

Program Description

The Preventive Health and Health Services Block Grant, established by the Omnibus Budget Reconciliation Act of 1981 to replace eight categorical grant authorities under the Public Health Service Act, authorizes grants to State governments for preventive health and health services programs and activities. States may use allotments under this block grant for:

1. rodent control programs;
2. community- and school-based fluoridation programs;
3. detection and prevention of hypertension;
4. health education and risk reduction programs, including activities designed to deter smoking and the use of alcoholic beverages among children and adolescents;
5. comprehensive public health services;
6. emergency medical services systems;
7. home health services; and
8. rape crisis and prevention services.

108/ Prepared by Ed Klebe, Education and Public Welfare Division.

The Preventive Health and Health Services Block Grant is administered by the Centers for Disease Control of the Public Health Service.

Funding

Except for a special allotment for rape crisis programs, each State's allotment is based on the proportion of total funding it received in FY 1981 under the formerly categorical programs that were consolidated into the block grant. The rape crisis allotment, which by law must total $3.5 million out of the total block grant appropriation, is distributed to States on the basis of population. No matching is required.

Funding Amounts (Appropriations)

FY 1981: $93 million (represents combined funding for categorical programs consolidated into the block.)

FY 1984: $87 million

FY 1986: $87 million

FY 1987: $90 million

Participation Data

Not available.

INDIAN HEALTH PROGRAM [109]

Authorization

Snyder Act of 1921; permanently authorized.

Program Description

The Snyder Act authorizes appropriations for certain services for Indians including services for the "relief of distress and conservation of the health of Indians." The Indian Health Care Improvement Act of 1976 authorized additional funds for specific programs including health manpower, health services, health facilities, and urban health services for Indians. The Indian Health Service (IHS) administers these Indian health programs at the Federal level. IHS health services include patient care, prenatal and postnatal care, well-baby care, family planning, dental care, immunizations, and health education services. Eligibility includes all those American Indians and Alaska natives living on or near Federal Indian reservations or in traditional Indian reservations or in traditional Indian communities in the "Reservation States" in which the Indian Health Service has the responsibility to provide health care to eligible Indians and Alaska natives.

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[109] Prepared by Ed Klebe, Education and Public Welfare Division.

Funding

The Indian Health Service allocates appropriations among its area offices based on the amounts of funds area programs spent in the previous fiscal year, current program expenditures, and area funding priorities. Area offices distribute funds to hospitals, clinics, and other providers of health care services based on these same factors. In FY 1986, IHS operated 45 hospitals and 71 health centers and several hundred smaller health stations and satellite clinics to provide health services to Indians and Alaska natives. IHS also contracts with tribal health organizations as well as with private and public facilities to supplement its direct health care delivery system. Services are provided free of charge. No matching is required.

Funding Amounts (Appropriations)

FY 1981: $690 million

FY 1984: $832 million

FY 1986: $854 million

FY 1987: $929 million

Participation Data

Participation data not available.

MIGRANT HEALTH PROGRAM 110/

Authorization

Section 329, Public Health Service Act; authorized through FY 1988.

Program Description

The migrant health program supports the operation of health centers to provide primary and certain supplementary and environmental health services to migratory and seasonal agricultural workers and their families. A migratory agricultural worker is one whose principal employment is in agriculture on a seasonal basis, who has been so employed within the last 24 months, and who establishes a temporary abode for the purposes of such employment. A seasonal agricultural worker is one whose principal employment is in agriculture on a seasonal basis and who is not a migratory worker.

State and local public agencies, such as health departments, and nonprofit organizations, such as health and welfare councils, medical societies, growers' associations, educational institutions, and other community groups are eligible to apply for grants to establish and operate health centers for migratory and seasonal farmworkers and their families living in communities which experience influxes of migrant workers.

110/ Prepared by Ed Klebe, Education and Public Welfare Division.

The services provided by these projects include primary health services such as physician care, diagnostic, laboratory, and radiologic services, preventive health, pharmaceutical, emergency medical and transportation services, as well as outreach and environmental health services. The projects may also provide such supplemental services as home health, dental health, and inpatient and outpatient hospital services as appropriate.

The Bureau of Health Care Delivery and Assistance in the Health Resources and Services Administration of the Public Health Services administers the Migrant Health program.

Funding

Appropriated funds for the program are allocated to the regional offices of DHHS which award the grants to the public and nonprofit private entities which operate the migrant health centers. No matching is required.

Funding Amounts (Appropriations)

FY 1981: $43 million

FY 1984: $42 million

FY 1986: $45 million

FY 1987: $45 million

Participation Data (all ages)

FY 1984: 460,000 participants

FY 1986: 500,000 participants

(In FY 1985, approximately 38 percent of persons receiving medical care from migrant health centers were children 14 and under.)

FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM 111/

Authorization

Title V of the U.S. Code; permanently authorized.

Program Description

The Federal Employees Health Benefits Program (FEHB) provides voluntary health insurance coverage for Federal employees, annuitants, and their dependents. Administered by the Office of Personnel Management, FEHB is the largest employer-sponsored health plan in the world, covering approximately 10 million individuals. Under the program, employees and annuitants are offered a choice of different health plans which have varying levels of benefits and premiums. The benefits and premium levels for each of the FEHB plans are established annually through negotiations between OPM and the plans.

Funds

The FEHB program is financed by premium payments, which are contributed to by the Federal Government and the enrolled employees and annuitants. Under current law, the Government's share of the premium is equal to 60 percent of the average of the premium rates for what are commonly known as the "Big Six" plans, i.e., the Service Benefit Plan, the Indemnity Benefit Plan, and the two Employee Organization Plans and the two Comprehensive Medical Plans with the

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111/ Prepared by Anne C. Stewart, Education and Public Welfare Division.

largest number of enrollments. If the Government's contribution to the premium exceeds 75 percent of the total premium for any particular FEHB plan, the contribution is reduced until it equals 75 percent of the plan's premium. The enrollees pay the remainder of the premium cost, generally through deductions from employee paychecks or annutities. All premium contributions are deposited in a FEHB trust fund, which is used for plan expenses, OPM's administrative expenses, and contingency reserves.

Funding Amounts (Appropriations)

FY 1981:	$2.5 billion
FY 1984:	$4.1 billion
FY 1986:	$3.4 billion
FY 1987:	$4.7 billion

(Federal Government Contributions for all employees and annuuitants.)

Participation Data

Not available

MILITARY HEALTH CARE SERVICES [112]

Authorization

Public Law 85-861 and Public Law 89-614.

Program Description

The dependents of military personnel and military retirees, may receive health care as described in the three programs below. Eligibility for health care depends upon the status of the military service member, i.e. active duty, reserve, inactive duty, retired, etc.

A. Military Health Care Facilities

Active duty personnel and their dependents are entitled to receive health care at military facilities. In addition, military retirees and their dependents may receive health care at military medical facilities. Services for retirees and all (active duty and retired) dependents are on a space available basis.

B. Civilian Health and Medical Program of the Uniformed Services (CHAMPUS)

While retired military pesonnel and eligible dependents may receive medical care at military facilities, this care may not always be available. If care at such a facility cannot be provided (due to space limitations, limitations on the types of services that a facility is capable of providing, or due to the fact that a beneficiary may not live close enough to a military facility to make such travel reasonable), the eligible beneficiary may receive CHAMPUS-covered care from private or public health care providers (subject to CHAMPUS regulations). Military retirees and qualified dependents may receive care at military medical care facilities or from public or private facilities as provided by CHAMPUS. However, beneficiaries must seek care first at a military medical facility in accordance with CHAMPUS regulations.

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[112] Prepared by David F. Burrelli, Foreign Affairs and National Defense Division.

C. Health Care from Contracted Providers

Under changes currently taking place, the eligible dependents of military personnel may receive health care from providers who have contracted with the Department of Defense. These contractors may include (depending upon availability) Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs), DoD-contracted health care clinics, etc.

Funding

Funding for care provided in military medical care facilities has been provided by the Federal Government. Traditionally, health care in these facilities has been free of charge to eligible recipients. Under a test program currently being designed by the Department of Defense, certain dependents and retirees will be charged a nominal user's fee for outpatient services received at selected military health care facilities.

Under CHAMPUS, the Federal Government and the eligible beneficiary share the cost of health care received from an approved non-military health care provider. The amount of costs payable by the Government and the beneficiary vary depending upon the services received, the charges incurred, and deductibles.

Health care provided in military-contracted facilities is funded by the Federal Government. Beneficiaries, however, can expect to pay nominal fees for outpatient services received in such facilities. Providing health care at contracted facilities is a new approach to providing health care services by the DoD. A number of health care administrative options are being considered and tested in selected areas. For this reason, the exact details of these services and their funding are not yet available.

Funding Amounts [113] (Obligations)

FY 1986 (est.): $10 billion.

(Data for other years not available)

Participation Data [113]

During FY 1986 aproximately 10 million beneficiaries (adults and children) were eligible to receive health care from DoD sponsored programs.

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[113] Annual Report to the Congress, Fiscal Year 1987, Caspar W. Weinberger, Secretary of Defense, February 5, 1986. p. 306.

COMMUNITY HEALTH CENTERS 114/

Authorization

Section 330 of the Public Health Service Act; authorized through FY 1988.

Program Description

The Community Health Centers (CHC) program supports the operation of health centers which provide primary health care services to residents of medically underserved areas. Although policies vary from center to center, services, in general, are provided to all individuals who seek care.

In order for a center to be eligible for a grant it must serve a population or area deemed by the Secretary of DHHS to be medically underserved.

State or local governments, public or nonprofit private agencies, institutions, or organizations are eligible to apply for a grant under the CHC program. Profit-making organizations are not eligible.

114/ Prepared by Ed Klebe, Education and Public Welfare Division.

The range of services that may be provided by CHCs includes:

Primary Health Services

- Physician and physician extender services
- Diagnostic laboratory and radiologic services
- Preventive health services (including children's eye and ear examinations to determine the need for vision and hearing correction, prenatal services, well child services and family planning services)
- Emergency medical services
- Transportation services
- Preventive dental services
- Pharmaceutical services

Supplemental Health Services

- Hospital services
- Home health services
- Extended care facility services
- Rehabilitative services
- Mental health services
- Dental services
- Vision services
- Allied health services
- Therapeutic radiologic services
- Ambulatory surgical services
- Health education services

Funding

The Bureau of Health Care Delivery and Assistance in the Health Resources and Service Administration administers the CHC program. Funds for the individual grantees are allocated to the 10 regional offices of DHHS which award the grants to the public and nonprofit entities which operate the CHCs.

Funding Amounts (Appropriations)

FY 1981: $324 million

FY 1984: $351 million

FY 1986: $396 million

FY 1987: $400 million

Participation Data

FY 1984: 5 million participants

FY 1986: 5.15 million participants

(All ages--separate data on children not available.)

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT 115/

Authorization

Title IV, Public Health Service Act; permanently authorized.

Program Description

The National Institute of Child Health and Human Development (NICHD) is part of the National Institutes of Health, Public Health Service, DHHS. The mission of the Institute is to conduct and support research on the reproductive, developmental and behavioral processes that determine the health of children, adults, families and populations. The NICHD was authorized by enactment of P.L. 87-838 and subsequently created in 1962.

Institute programs are based on the concepts that adult health and well-being are determined in part by episodes early in life, and that reproductive processes and the management of fertility are of major concern, not only to the individual, but to society as well. The Institute supports research in the reproductive sciences to develop knowledge enabling men and women to regulate their fertility and overcome problems of infertility. Research for mothers, children and families is designed to advance knowledge of fetal development, pregnancy and birth; to identify the prerequisites of optimal growth through infancy, childhood and adolescence; and to contribute to the prevention and treatment of mental retardation.

115/ Prepared by Blanchard Randall IV, Science Policy Research Division.

The NICHD has four major components--the Center for Research for Mothers and Children and the Center for Population Research, both extramural programs supporting research through grants and contracts; the intramural research program conducted in the Institute's Bethesda, Maryland laboratories; and the Epidemiology and Biometry Research Program. All four engage in biomedical and behavioral research projects as well as fundamental and clinical studies.

Funding

The primary funding mechanism is research grants to individual investigators based in academic institutions. No matching requirements apply.

Funding Amounts (Obligations)

FY 1981: $220.6 million

FY 1984: $275.6 million

FY 1986: $308.2 million

FY 1987: Not available.

(The figures shown reflect spending for research related to children and adults. The percentage of funds directed toward research on children is not available.)

Participation Data

Not applicable.

HOUSING PROGRAMS

LOW-INCOME PUBLIC HOUSING 116/

Authorization

U.S. Housing Act of 1937; permanently authorized.

Program Description

Low-income public housing projects are designed to provide low-rent, standard quality housing, primarily to families with children. Single persons who are elderly or handicapped are eligible on the same basis as families. Occupancy by other single persons is limited to no more than 30 percent of the units administered by any public housing agency.

To be eligible for public housing, households must have incomes under 80 percent of the median income of the area, adjusted for family size. Since 1983, 75 to 95 percent of all units must be rented to households with incomes below 50 percent of the local median, adjusted for family size. By law, priority for admission is to be given to households occupying substandard housing or involuntarily displaced by governmental action, or paying over 50 percent of their income for rent. A tenant household pays 30 percent of its adjusted income for rent, except that it must pay at least 10 percent of gross income, or, if it receives a welfare payment, that portion of it specifically designated for rent.

116/ Prepared by Grace Milgram, Economics Division.

Gross income is adjusted in determining rent payments according to family size and certain family expenditures, such as excessive medical costs. The program is administered by the Office of Public Housing, U.S. Department of Housing and Urban Development (HUD) and local public housing agencies.

Funding

Public housing projects are financed through the sale of tax-exempt notes and bonds or through a Federal grant, and are developed, owned and operated by local public housing agencies. The Federal subsidy consists of a grant or payment of the interest and principal, through a contract for annual contributions made with the local agency if financed through bond sales, plus an additional subsidy to assist in payment of operating costs. The local government contribution consists of waiving property taxes and accepting a payment in lieu of taxes amounting to no more than 10 percent of shelter rent, that is, tenant rent payments less the costs of utilities.

Funding Amounts (Outlays)

FY 1981: $2.4 billion

FY 1984: $2.8 billion

FY 1986: $2.9 billion

FY 1987: Not available

(Includes outlays for occupied units and operating subsidies. Total spending for public housing.)

Participation Data

Units eligible for payment at end of FY 1984: 1.33 million

Units eligible for payment at end of FY 1986: 1.38 million

(Data are not available on the number of children in such units.)

LEASED HOUSING ASSISTANCE ("SECTION 8 PROGRAM") [117]

Authorization

Section 8, United States Housing Act of 1937; existing housing component permanently authorized. (Authorization for new construction and substantial rehabilitation expired October 1, 1983, except for certain housing for the elderly.)

Program Description and Funding

This program was established to assist low-income households in occupying privately-owned, modest-quality housing without excessive rent payment. The Federal Government makes a payment to a landlord on behalf of the tenant household, for the difference between the tenant's rent payment and a contract rent set by the landlord in agreement with HUD or the administering local public housing agencies, which cannot exceed fair market rents set by HUD for the type of structure and size of unit.

The housing units may be in already existing housing or, for units for which commitments were made prior to repeal of authority, in newly constructed or rehabilitated structures built with a prior commitment that units will receive sec. 8 subsidies when leased to eligible tenants. When existing housing is used, a contract for an annual contribution is made between HUD and the local public housing agency for a designated sum of money to pay rent for a designated number of units, and the agency then issues certificates to households. A certified household may rent from any willing landlord whose unit meets HUD's quality standards and whose lease terms are acceptable. The public housing agency transmits the HUD payment to the landlord. For new and rehabilitated structures, HUD makes the rental payment directly to the landlord.

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[117] Prepared by Grace Milgram, Economics Division.

Requirements for income eligibility and the proportion of income to be paid for rent are the same as the requirements for the public housing program (see above). The program is administered by HUD and local public housing agencies.

Funding Amounts (Outlays)

FY 1981: $3.1 billion

FY 1984: $6.0 billion

FY 1986: $7.4 billion

FY 1987: Not available.

(Total spending for sec. 8, including vouchers.)

Participation Data

Units eligible for payment at end of FY 1984: 1.9 million

Units eligible for payment at end of FY 1986: 2.1 million

(Above figures include units assisted in voucher program. Data are not available on the number of children in such units.)

LEASED HOUSING ASSISTANCE-VOUCHERS 118/

Authorization

Housing and Urban-Rural Recovery Act of 1983 added section 8(o) to U.S. Housing Act of 1937.

Program Description

The voucher subsidy is similar to the Section 8-Existing Housing program, described above. Eligibility requirements for participation are the same. It differs from that program in that the subsidy is the difference between a rent payment standard (which is the same as the fair market rent) and 30 percent of the tenant's adjusted income, but the tenant's payment is not limited to 30 percent of income. The tenant negotiates a rental payment which may be lower or higher than the rent payment standard. If the actual rent is higher than the standard, the tenant must pay more than 30 percent of income; if it is less, the subsidy amount is still paid to the owner so that the tenant's rent payment is less than 30 percent of income.

When the program began in 1983 it was limited to a small number of vouchers, most of which were to be utilized in the rental rehabilitation program but some of which were "free standing" to be used as a demonstration for comparison with

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118/ Prepared by Grace Milgram, Economics Division.

section 8 certificates. The appropriation for FY 1987 increased the numbers and freed their use from both the rehabilitation and demonstration programs.

The program is administered by HUD and local public housing agencies.

Funding

Same as for Section 8, Existing Housing program, described previously.

Funding Amounts

The following figures show "use of contract authority"; outlays for vouchers are included in reports of spending for Section 8 assistance.

FY 1981: $0 (program began in 1983)

FY 1984: $52.3 million

FY 1986: $163.3 million

FY 1987: Not available

Participation Data

The following figures report the number of households (or vouchers) for which HUD has reserved funds. Actual units available for subsidy are included in report on Section 8 assistance.

FY 1984: 40,849

FY 1986: Not available

HOME OWNERSHIP ASSISTANCE FOR LOW AND MODERATE-INCOME FAMILIES 119/

Authorization

Section 235, National Housing Act of 1934. Authorization for entering into new commitments expires at the end of FY 1987.

Program Description

This program has assisted low- and moderate-income families become homeowners by paying a portion of the mortgage payments on homes purchased by participating families. When the program was established in 1968, the targeted income group was those families with incomes below 135 percent of the income for admission to public housing in the area. Beginning in 1975, following a moratorium declared in 1973, the program was reactivated with assistance directed toward a group of a somewhat higher income: up to 95 percent of the area median, adjusted for family size. Participating families must purchase: (1) a home or condominium built or rehabilitated with a prior commitment from HUD that the units would receive a sec. 235 subsidy; or (2) a two- or three-family unit if one unit is owner-occupied and the rental units are rented to families with incomes below the area median. The program is administered by the Federal Housing Administration, HUD.

119/ Prepared by Grace Milgram, Economics Division.

Funding

Federal assistance takes the form of reducing the effective interest rate on a participating family's mortgage, to 4 percent, although in some periods it was to a higher rate. HUD pays the lending institution the difference between the then-current Federal Housing Administration interest rate and the amount of the family's monthly payment. The family pays the mortgagee 20 percent of its income or the reduced rate, whichever is higher. For homes purchased after 1980, if the house is sold, the family must repay the lesser of the subsidy received or half of the capital gain.

Although this program was extended through FY 1987, no new funds have been appropriated. New commitments may only be funded by recaptured and repaid funds. Earlier contracts, however, continue for the life of the mortgage, usually 30 years, so that program outlays continue.

Funding Amounts (Outlays)

FY 1981:	$196.0 million
FY 1984:	$270.0 million
FY 1986:	$212.4 million
FY 1987:	Not available

(Total spending for sec. 235.)

Participation Data

Units eligible for assistance, end of FY 1984:	209.7 thousand
Units eligible for assistance, end of FY 1986:	182.2 thousand

(Data are not available on the number of children in such units.)

RENTAL HOUSING ASSISTANCE FOR LOW-INCOME FAMILIES 120/

Authorization

Section 236, National Housing Act of 1934. Authorization for entering into new commitments has expired. (Outstanding contracts still being honored.)

Program Description

This program has provided rental assistance to households of somewhat higher income than households living in public housing (see above) by subsidizing the mortgages of privately owned units and cooperative apartments rented by participating households. When the program was established, income eligibility was generally set at 135 percent of the eligibility level for admission to public housing in the area. (Income eligibility was later changed to conform with sec. 8 eligibility--see Lease Housing Assistance ("Section 8" Program)) The program is administered by the Federal Housing Administration; HUD.

Funding

Federal assistance consists of "writing down" a given rental unit's mortgage interest rate for the mortgagor to an effective 1 percent, with HUD paying the mortgagee the difference between the owner's payment and the contract rate, which could be no higher than the then-current FHA rate. Tenants pay the basic rent required to meet the lowered interest rate and other operating costs, or

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120/ Prepared by Grace Milgram, Economics Division.

30 percent of income, whichever is higher. Some very-low income families are further assisted by rent supplement or Section 8 payments.

This program was discontinued by a moratorium in January 1973, and no new appropriations have been made. Outstanding commitments are being honored, however, because the subsidy contracts are for the life of the mortgage, usually 30 to 40 years, so outlays continue.

Funding Amounts (Outlays)

FY 1981: $665.4 million
FY 1984: $657.5 million
FY 1986: $633.4 million
FY 1987: Not available

Participation Data

Units eligible for assistance at end of FY 1984: 530.7 thousand
Units eligible for assistance at end of FY 1986: 529.1 thousand
(Data are not available on the number of children in such units.)

TAX PROGRAMS

EARNED INCOME CREDIT (EIC) 121/

Authorization

Section 43, Internal Revenue Code; permanently authorized.

Program Description

The Earned Income Credit (EIC), which was added to the Internal Revenue Code as a temporary measure in 1975 and made permanent in 1978, offers cash aid to working parents who have relatively low earnings and a dependent child.

The EIC is the only tax credit that is "refundable." This means that a person does not need to owe any income tax to receive the credit. The Internal Revenue Service (IRS) makes a direct payment of the credit to those whose income is too low to owe income taxes, or whose tax liability is smaller than the credit.

The Tax Reform Act of 1986 (P.L. 99-514) liberalized the credit and provides for future automatic adjustments to reflect price inflation since 1984. The estimated results in 1987 of linking EIC provisions to the Consumer Price Index (CPI) are as follows. In tax year 1987, the EIC will equal 14 percent of the first $6,080 of earned income, including net earnings from self-employment, and thus may not exceed $850 ($800 in 1984 dollars) per family per year. Between

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121/ Prepared by Carmen Solomon, Education and Public Welfare Division.

earnings of $6,080 and $6,920, the recipient receives the maximum EIC benefit of $850. For each dollar of adjusted gross income (or, if higher, earned income) above $6,920, the EIC is to be reduced by 10 cents. In 1987, the EIC is to end when adjusted gross income reaches $15,420 ($14,500 in 1984 dollars).

In tax year 1988 and years thereafter, the maximum EIC will continue to be $800 in 1984 dollars, but the EIC will not completely phase out until adjusted gross income reaches $17,000 in 1984 dollars. The rate of price inflation will determine actual future dollar amounts.

To receive the credit, a person need not owe or pay any income tax. However, he or she must apply for the credit, either by filing an income tax return at the end of the tax year or by filing an earned income eligibility certificate with his employer for advance payments of the credit. To be eligible for the EIC, married couples must file a joint return.

Before January 1, 1980, EIC benefits could not be taken into account for purposes of determining eligibility for benefits under any federally-aided program, but now income-tested programs must treat EIC payment (actually received by the recipient) as earned income.

The earned income credit is administered by the IRS, located within the U.S. Department of the Treasury.

Funding

The earned income credit is 100 percent federally funded. The total is a combination of revenue loss from taxes not paid and direct payments to families.

Funding Amount (Outlays)

	($ in billions)	
	Outlays a/	Tax expenditures b/
FY 1981 (est.)	$1.3	$0.7
FY 1984 (est.)	1.2	0.4
FY 1986 (est.)	1.4	0.4
FY 1987 (est.)	1.5	0.3

a/ Payments to families

b/ Revenue loss

Participation Data

FY 1984 (est.): 5.8 million families

FY 1986: not available.

DEPENDENT TAX EXEMPTION 122/

Authorization

Section 151 of the Internal Revenue Code.

Program Description

The Federal income tax code provides for a tax exemption for a taxpayer and the taxpayer's dependents. There are five tests that must be met before an exemption for a dependent is allowed; (1) the dependent must fall into one of 10 relationships listed in the code; (2) the dependent must have gross income that is less than the amount of the personal exemption unless the dependent is under the age of 19 or is a full-time student; (3) over half of the dependent's support is furnished by the taxpayer (with certain provisions for children of divorced parents); (4) the dependent must not have filed a joint return with his spouse; and, (5) the dependent is a citizen, national, or resident of the United States, a resident of Canada or Mexico, or an alien child adopted by the taxpayer and living with a U.S. citizen or national.

The Tax Reform Act of 1986 (P.L.99-514) made several changes to the dependent exemption. First, the Act increased the exemption to $1,900 in tax year 1987, to $1,950 in tax year 1988, and to $2,000 in tax year 1989. Beginning in tax

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122/ Prepared by Stacey M. Kean, Economics Division.

year 1990, both the personal and dependent exemption will be indexed for inflation.

Second, the Act changed the treatment of dependents with income. Under prior law, parents could claim a full dependency exemption for their dependent child who had income above the personal exemption amount, if the dependent child was under age 19 or a full-time student. This dependent exemption was in addition to the personal exemption that the child could claim on his or her own tax return. Under the Act, parents may still claim a dependent exemption for a dependent child, even a dependent child who is under the age of 19 or a full-time student with income over the amount of the personal exemption, but the personal exemption is no longer allowed to the dependent child. This provision was instituted in order to avoid the double benefit allowed under prior law.

Finally, high-income taxpayers will be subject to a partial or full loss of their exemptions, both personal and dependent exemptions, after tax year 1987. The phase-out of the exemptions begins after the 15 percent tax rate has been fully phased out. The amount for each exemption is reduced by 5 percent of the excess of the taxpayer's adjusted gross income (AGI) over a specified amount based upon filing status. For married couples filing jointly, the personal and dependent exemption will begin to phase out at $149,250 of taxable income; for single individuals at $89,560; for heads of households at $123,790; and for married individuals filing separately at $113,300.

Funding

The dependent exemption is part of the graduated tax structure of the Federal Government. No direct funding is provided.

Funding Amounts

Not Available

Participation Data

In tax year 1984, 240,886,327 exemptions were claimed on all tax returns. Of these exemptions, 146,947,849 were exemptions for taxpayers and 93,938,478 were for dependents. Later data are not available.

CHILD AND DEPENDENT CARE TAX CREDIT [123]

Authorization

Section 21 of the Internal Revenue Code

Program Description

The child and dependent care tax credit is a nonrefundable income tax credit which is allowed to a taxpayer who pays employment-related child and dependent care expenses, and who maintains a household for one or more qualifying individuals. The Child and Dependent Care Tax Credit is administered by the IRS of the Department of the Treasury.

As defined, a qualifying individual is an individual who is (1) under the age of 15 and for whom the taxpayer may claim a dependency exemption; or (2) a physically or mentally incapacitated dependent or spouse who is incapable of caring for himself or herself. Employment-related expenses are those expenses incurred to enable the taxpayer to work or to look for work. They include expenses for both household services and expenses for the care of the qualifying individual. Services outside the home qualify if they involve the care of a child under age 15 or a disabled spouse or dependent who regularly spends at least 8 hours a day in the taxpayer's home. Payments to a relative also qualify for the credit except where the taxpayer claims a dependency exemption for the relative or where the relative is the taxpayer's child and is under age 19.

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[123] Prepared by Stacey M. Kean, Economics Division.

The amount of employment-related expenses eligible for the credit is subject to both a dollar limit and an earned income limit. Expenses are limited to $2,400 for one qualifying individual and $4,800 for two or more qualifying individuals. They cannot exceed the earned income of the taxpayer, if single, or if a married couple, the earned income of the spouse with the lower earnings. If the nonworking spouse is a full-time student at an educational organization for at least 5 calendar months during the year, the law assumes an income for each month of school attendance of $200 for one qualifying child or dependent or of $400 if there are two or more. In addition, the married couple must file a joint return to claim the credit.

The amount of the credit that a taxpayer may apply to these employment-related expenses is also based upon the adjusted gross income (AGI) of the taxpayer. The tax credit is based on a sliding scale of 30 percent to 20 percent, declining as AGI increases from $10,000 to $28,000. In other words, if the taxpayer's income is $10,000 or less, he or she may claim 30 percent of employment-related expenses. The amount of the credit declines 1 percentage point for each additional $2,000 of AGI up to $28,000; above that the tax credit is 20 percent of allowable expenses. The maximum amount of the tax credit is $720 for one qualifying individual and $1,440 for two or more qualifying individuals.

Funding

The child and dependent care tax credit is a tax expenditure. It requires no direct funding. It is funded through a subtraction from taxes. After a taxpayer has calculated his or her tax liability, the amount of any tax credits due the taxpayer is subtracted from his or her tax liability. Because the child and dependent care tax credit is a nonrefundable tax credit, it cannot reduce the taxpayer's liability below zero.

Funding Amounts (Revenue Loss Estimates for Tax Expenditures by the Joint Committee on Taxation)

FY 1981: $1.0 billion

FY 1984: $1.7 billion

FY 1986: $2.2 billion

FY 1987: $2.7 billion

Program Participation Data

In tax year 1984, 7,545,568 tax returns claimed the child and dependent care tax credit. Total tax returns in that year were 99,438,708. Later data are not available.

EMPLOYER-PROVIDED DAY CARE 124/

Authorization

Section 129 of the Internal Revenue Code.

Program Description

Dependent care assistance paid for or provided by an employer is excluded from the gross income of the employee if the assistance is provided under a qualified dependent care assistance program. This exclusion is also available to self-employed individuals.

Section 129 of the Internal Revenue Code was amended by the Tax Reform Act of 1986 (P.L. 99-514). The Act places a ceiling on the amount of dependent care assistance that may be excluded from an employee's gross income. The exclusion is limited to $5,000 ($2,500 if married, filing separately), effective after tax year 1986.

The exclusion is subject to several limitations: (1) the amount excluded may not exceed the employee's income (or if the employee is married, the lower of the earned income of the employee or the employee's spouse); and (2) the exclusion is only provided for expenses for household services or care of qualifying individuals that are incurred to enable the taxpayer to be gainfully employed.

124/ Prepared by Stacey M. Kean, Economics Division.

Qualifying individuals are defined as dependents under the age of 15 or physically or mentally incapacitated dependents or spouses.

A qualified dependent care assistance program is defined as a program that does not discriminate in favor of employees who are officers, owners, or highly compensated individuals. No more than 25 percent of the total benefits may be paid to a group consisting of employees who own more than 5 percent of the stock or of the capital or profit interests in the employer.

Funding

The Employer-Provided Child or Dependent Care Assistance Program is a tax expenditure. No direct funding is provided for this program.

Funding Amounts (Revenue Loss Estimates for Tax Expenditures by the Joint Committee on Taxation)

FY 1981:	Not available (program began in 1982)
FY 1984:	$40 million
FY 1986:	$110 million
FY 1987:	less than $50 million

Program Participation Data

Not Available

TAX DEDUCTION FOR ADOPTION EXPENSES 125/

Authorization

Section 222 of the Internal Revenue Code (Repealed by the Tax Reform Act of 1986 (P.L.99-514))

Program Description

From 1981 to 1986, taxpayers were allowed to include in their miscellaneous deductions a deduction from their income of up to $1,500 for qualified adoption expenses associated with adopting a child with special needs. "Qualified adoption expenses" include reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal adoption of a child with special needs by the taxpayer and which are not incurred in violation of State or Federal law. A "child with special needs" means a child who the State has determined can not or should not be returned to the home of his parents; who has a specific factor or condition such as ethnic background, age, or membership in a minority or sibling group, or the presence of factors such as medical conditions or physical, mental, or emotional handicaps because of which it is reasonable to conclude that the child will not be adopted without adoption assistance; and who has been the subject of an unsuccessful placement effort. (42 U.S.C. 473(c))

125/ Prepared by Stacey M. Kean, Economics Division.

Effective with tax years beginning after 1986, this section of the Internal Revenue Code is repealed by the Tax Reform Act of 1986 (P.L.99-514). (In addition to repealing section 222, the Act amends the adoption assistance program in title IV-E of the Social Security Act to provide matching funds as an administrative expense for adoption expenses for any child with special needs who has been placed for adoption in accordance with applicable State and local law.)

Funding

The tax deduction for adoption expenses is a tax expenditure. No direct funding is provided under Section 222 of the Internal Revenue Code.

Funding Amounts (Revenue Loss Estimates for Tax Expenditures by the Joint Committee on Taxation)

FY 1981: Not available

FY 1984: $10 million

FY 1986: $10 million

FY 1987: Not available

Participation Data

Not available.